it will be on Wednesday and we should hope to have it completed on Wednesday morning.

Mr. BONIOR. And the budget resolution, can the gentleman enlighten us on this side of the aisle when we expect to have that resolution before us? Before the Memorial Day break? After?

Mr. ARMEY. Again if the gentleman will yield, the Budget chairman and the ranking member on Budget have been discussing that, and I believe they are prepared to go to markup on Wednesday next on that in committee. It is our expectation that we would have it on the floor for consideration on Tuesday, May 20. Then, of course, we would hope that the other body would keep pace and we would hope to have that resolution agreed upon between the two bodies and passed in final conference report before the recess.

Mr. BONIOR. I thank the gentleman.

Finally, just one other inquiry. On Friday next, is it my understanding from the gentleman's comments that we will be meeting in session next Friday?

Mr. ARMEY. If the gentleman will yield further, yes, we do anticipate being in session and voting on Friday next with, of course, every effort to have our Members' work completed by 2 p.m. for their Friday departure.

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Speaker, I wanted by way of this inquiry to thank the majority leader for visiting the Red River Valley area in my home State, in his home State of North Dakota, but we had contemplated dealing with some emergency regulatory suspension with regards to the Committee on Banking and Financial Services to accommodate the needs of the Red River Valley and the Minnesota River Valley area in both the Dakotas and Minnesota.

We were hopeful that the gentleman would consult with the chairman of the Committee on Banking and Financial Services with whom I have consulted and we are trying to do that, and I would hope that it would be possible to bring that measure up on suspension next Tuesday. I note that it was not addressed in the gentleman's outline and I would just want to request the gentleman's attention to that matter and hope that we can work out something along those lines.

Mr. ARMEY. I thank the gentleman for his inquiry.

If the gentleman will yield further, I see the distinguished chairman of the Committee on Banking and Financial Services is here. We will discuss it privately. Certainly I understand the gentleman's concern and the gentleman's anxiety. We will try to be as responsive as possible on that matter.

□ 1615

## HOUSING OPPORTUNITY AND RESPONSIBILITY ACT OF 1997

The SPEAKER pro tempore. (Mr. LAHOOD). Pursuant to House Resolution 133 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2.

□ 1615

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2) to repeal the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes, with Mr. GOODLATTE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, May 7, 1997, title III was open for amendment at any point.

Are there any amendments to title III?

AMENDMENT NO. 12 OFFERED BY MR. KENNEDY OF MASSACHUSETTS.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 12 offered by Mr. KENNEDY of Massachusetts:

Page 174, line 20, insert ''**VERY**'' before ''**LOW-INCOME**''.

Page 175, line 11, insert ''very'' before ''low-income.''

Page 187, line 5, insert ''VERY'' before ''LOW-INCOME.''

Page 187, line 10, insert ''very'' before ''low-income.''

Page 187, strike lines 13 through 22 and insert the following:

(b) INCOME TARGETING.—

(1) PHA-WIDE REQUIREMENT.—Of all the families who initially receive housing assistance under this title from a public housing agency in any fiscal year of the agency, not less than 75 percent shall be families whose incomes do not exceed 30 percent of the area median income.

(2) AREA MEDIAN INCOME.—For purposes of this subsection, the term ''area median income'' means the median income of an area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than the percentages specified in subsection (a) if the Secretary finds determines that such variations are necessary because of unusually high or low family incomes.

Page 205, line 7, insert ''very'' before ''low-income''.

Page 205, line 24, insert ''very'' before ''low-''.

Page 211, line 6, insert ''very'' before ''low-income''.

Page 214, line 1, insert ''very'' before ''low-income''.

Mr. KENNEDY of Massachusetts. Mr. Chairman, this amendment deals with the issue of the concentration of very poor people in the voucher program. The voucher program is an important aspect of our overall housing policy in this country where instead of having families that live in public housing units where they are concentrated in large numbers, in many cases in some of the kind of monstrosities that we have come to think of as public housing, but rather as a different type of program where any individual that is eligible for the program simply receives a voucher and can take that voucher really to any building in any given locality. It is a tremendously effective program; it is one that has broad bipartisan support. However, we have to, I believe, recognize that the major efforts that have been made by the chairman of the Subcommittee on Housing and Community Opportunity has been to show his concern in H.R. 2 of the concentration of the number of very poor people that live in public housing.

Now, as a result of pursuing that policy, we have tried to pass amendments that would have allowed the glidepath of the number of very low-income people that occupy public housing units to decrease to about 50–50. In other words, 50 percent of the people in public housing units would have been people that were very low income and 50 percent of the people would be essentially working families.

That amendment was defeated, and instead we go back to the underlying language in H.R. 2 which would mean that about 80 percent of the people in public housing would be people with incomes that would be around $30 to $40,000 a year, or working families. While that is debated to be a positive aspect of the new H.R. 2's housing policy, it does beg the question as to what occurs with the 5.3 million families in this country who are very, very poor, the vast majority of whom are children.

Now what occurs of course is that those families simply will be without any housing assistance whatsoever. As I have noted on previous occasions, we have already cut the number of the amount of funding for homeless programs by over 25 percent, we have cut the funding for housing programs by about 25 percent, and so therefore we end up in a situation by fixing public housing of simply throwing out millions of, or hundreds of thousands of families, and perhaps not throwing them out on the street, but nevertheless not providing them with any assistance.

Now the basic rationale is that we need to have more working families in public housing. While that may be a desirable public policy, as we have already debated, it does not seem to me to hold up in any way, shape or form when it comes to the voucher program. There is no concentration of very poor people in any communities in this country using the voucher program. And yet the Republican plan calls for

under H.R. 2 a reduction in the number of very poor families that would receive funding under the voucher program, again decreasing dramatically from the 75 percent of the people that currently receive the vouchers at below 30 percent of median income to about 80 percent of the families over the period of the next few years going to incomes above 80 percent of median.

And so what we have is a situation where working families will end up receiving the voucher program, and while people can argue that this is what they want in terms of public housing or the assisted housing policy, this is an issue where I think it is crystal clear that we do not have to throw out and turn our backs on the very, very poor in order to have the kind of income mix and the kind of neighborhood mix that I think is desirable in our country.

It seems to me that even in the richest neighborhoods of America it would not be bad to necessarily have a few poor people living in apartments that are being rented in those areas, if in fact those apartments are available to the section 8 program. If we want to have mixed income communities, if that is the ultimate desire of good housing policy, then it seems to me that we ought to continue to keep the concentration levels up to 75 percent that we have seen in the past under the amendment that I am proposing.

Now this amendment that we propose actually amends that program to allow for an even greater mix of working families to participate in the voucher program.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. KENNEDY] has expired.

(By unanimous consent, Mr. KENNEDY of Massachusetts was allowed to proceed for 2 additional minutes.)

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I am not going to object, but at one time we discussed time limitation; I thought perhaps agreement as to that. If we can do that, that would be helpful.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would entertain imposing a time limitation if it appears at a certain point we would be going well beyond—I do not think we agreed to a time limitation on this amendment. If the gentleman would recognize it is only a few Members in the Chamber, we do not expect this debate is going to last very long, and I would appreciate the gentleman, maybe if we get beyond 20 minutes on each side we could entertain a limitation.

Mr. LAZIO of New York. Mr. Chairman, I thank the gentleman.

Mr. KENNEDY of Massachusetts. I appreciate the gentleman allowing the use he requests.

The point of this amendment is really very simple. It essentially, H.R. 2, reduces the percentage of section 8 certificates that must go to the very, very poor to only 40 percent from the current levels of 75 percent. It also permits up to 60 percent of the new section 8 assistance to go to those with incomes as high as 80 percent of median, as high as $41,600 in cities like Boston and New York. Over time, millions of very, very poor families could be denied assistance in addition to 13 million individuals and families with acute housing problems.

Do not be fooled by arguments from the other side about the concentrations of the very poor in public housing. This amendment has nothing to do with public housing or warehousing individuals, since section 8 assistance is portable.

The choice here is simple: Should we target scarce Federal resources to those in greatest need? I believe we ought to. This amendment makes sure that it will be done.

Mr. Chairman, I yield back the balance of my time.

Mr. LEACH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would respond to the gentleman by saying I think he makes a number of very good arguments and that this is a reasonably close call, but I would come down on the other side because in the final measure there are some ramifications that are imperfect, and let me just go over a couple.

One is that all of a sudden we develop a system in which the incentives are not to work, and so this is a disincentive-to-work provision.

Let me explain why it works out that way, why if we pass this amendment, we will in effect be locking out the working poor from these programs.

For instance, in the State of Iowa, and we have developed charts on a number of States, 83 percent of the districts in which families of four with two parents working full-time at a minimum wage would be excluded from this program under the Kennedy approach.

Let me finish and then I will be happy to yield.

If we take the State of Massachusetts, 44 percent of the districts in which families of four with two parents working full-time at no more than 55 cents above the minimum wage would be excluded from this program. When we exclude the working poor from the program, what we do—even though the gentleman is partly right that with voucher program we do not segregate the poor quite as dramatically, or the poorest of the poor quite as dramatically as we do in the nonvoucher approach, although there are in practice sometimes a little bit of choice-based movement into concentrated areas that may occur—we give people an incentive to have a program benefit instead of work.

Virtually all that we are trying to do in this bill is work in a direction that is a bit different than current policy, and I acknowledge that, and it has some disadvantages, and I would acknowledge that as well. But we are trying to move in the direction of having more mixed approaches involving the poorest of the poor and the working poor being equal beneficiaries of, or if not equal at least being accommodated under Federal programs, and then to say to those that are not working, that there are more incentives to work.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LEACH. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would just like to point out to the gentleman I do not know where he got his statistics, but the basic statistic that I think everyone acknowledges, and certainly, because I know the gentleman from Iowa voted for the minimum wage bill, I believe he referenced that in the debate the other day. Does the gentleman understand if one works a 40-hour week at minimum wage in this country, their income is about $11,000 a year; that is below the 30 percent that I am referring to in our targeting numbers?

So what I am trying to suggest here, I do not know where the gentleman gets the 55 cents and all the rest of that stuff and he gave a bunch of these statistics the other day. I am just pointing out to the gentleman that the families that we are talking about, 75 percent of which are below 30 percent, in most cases are working.

So what we are saying is that even if one works full time at a minimum wage job, they are still below the 30 percent targeting cutoff that we are trying to acknowledge is an important cutoff for the purposes of making certain that we take care of the very poor.

Mr. LEACH. Reclaiming my time, Mr. Chairman, I appreciate what the gentleman is saying, and there is an aspect about targeting the poorest of the poor that has great attractiveness. On the other hand, all I know is that we have asked our very professional staff to go through an assessment and do the statistical analysis, and I have a chart in front of me of, oh, 15 States that at a minimum have 67 percent and up to a maximum of 94 percent of districts in which families of four with two parents working full time at minimum wage will be excluded, and I stress this, excluded from choice-based assistance; yes, it is under the gentleman's amendment.

Mr. KENNEDY of Massachusetts. Just if the gentleman will yield for clarification purposes, he is counting two incomes and I am counting one. I am saying $11,000 a year.

Mr. LEACH. We are counting two incomes of minimum wage with a family of four.

Mr. KENNEDY of Massachusetts. It is $25,000 a year, Mr. Chairman. I mean these are statistics that we went through at length under the minimum wage bill.

Mr. LEACH. All I am saying is the gentleman has a philosophical point that is deeply worthy of respect, and

all I am trying to say is unfortunately when we work it through, there are counterproductive ramifications, and I tried to lay out precisely what they are.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, when we debated this question of restricting aid to the very poorest, and that is what we are talking about, the bill says we should do less than we have been doing for the very poorest people.

□ 1630

The argument in favor of cutting back on what we do for the poorest of the poor, and remember that among the poorest of the poor, and many of them are just children and we are talking about small children who made the mistake of being born to very poor parents. The argument was with regard to public housing; if we do not cut back on what we are doing for the poorest of the poor, we will hurt them.

The gentleman from Louisiana said well, maybe we are going to be doing less for the poorest of the poor, but we will be improving the quality in the housing projects by reducing economic segregation. Well, this amendment is one to which that argument simply does not apply, despite the effort of the gentleman from Iowa to try and drag it in sideways.

The fact is that in public housing we have concentration by definition of people who are in public housing. When we are talking about section 8, we are talking about, particularly now since we are not talking about project-based where we construct these buildings, we are talking about tenant-based vouchers in section 8's. They choose, they can be moved about, so the concentration argument simply has no relevance. We are now being told even without concentration, we simply should not help as many very poor people.

Why? Well, one argument, the gentleman from Iowa says the amendment of my friend from Massachusetts, [Mr. KENNEDY] has a lot of appeal, but he has to vote against it. I want to commend the gentleman from Iowa [Mr. LEACH] because, as we debate the housing bill time and again the gentleman gets up and acknowledges the appeal, acknowledges the cogency of it. He is a man of iron discipline. He can resist more things that appeal to him by anybody I have met. He will time and again tell us that that is a good point, and that reaches a strong emotion, but we must be tough.

But on whom are we being tough, some 3-year-old with a poor mother? Why are we being tough on her? Because if we allow her housing, we will give her a disincentive to work. That was the argument. If we do not cut back on what we give to the poorest of the poor, it will be a disincentive to work.

The gentleman is suffering from cultural lag, Mr. Chairman, which I believe is a parliamentarily approved condition, he forgets about the welfare bill.

Does the gentleman not remember that the majority reformed welfare? They no longer have the option of refusing to work if they are eligible to work. As a matter of fact, they cannot even refuse to work under the law now, even if there is no job. Whether or not there is a job for them is irrelevant. They will be punished if they do not go to work.

So this notion that we are giving people a disincentive forgets about the welfare bill. Welfare is time-limited. The argument that we are giving people a disincentive to work does not make any sense, because they will be cut off altogether. The question is simply whether they are working, and at minimum wage jobs, the number of two-parent families is probably not as great as some one-parent families.

We have a one-parent family on minimum wage, they are fully eligible here. And the notion that we are giving people a disincentive, I mean, what the gentleman is saying is, if we tell the very poorest of the poor that they can get housing, they will say oh, wonderful. I get to live in section 8 housing; even though my welfare is going to expire in 2 years, I no longer have to work.

Mr. Chairman, I do not think that is the way it will happen.

Mr. LEACH. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Iowa.

Mr. LEACH. Mr. Chairman, I would like to explain to the gentleman from Massachusetts [Mr. FRANK] who the Kennedy amendment would exclude, and this is staff analysis.

Mr. FRANK of Massachusetts. Mr. Chairman, reclaiming my time briefly, and I will yield back, but I regret that the Rules of the House do not allow us to yield to staff, because we could probably, by cutting out the middleman, have a more cogent debate; but given that is the rule, I will yield again to the gentleman from Iowa.

Mr. LEACH. Mr. Chairman, in Brownsville, TX, a family making $15,750 will be excluded from this program. However, the fair market rent there is about $510, which is 39 percent of income.

After paying for the year's rent, that family will have only $9,631 to pay all other expenses from food to clothing to medical expenses.

Mr. FRANK of Massachusetts. Mr. Chairman, again reclaiming my time, how does this exclude them? I think the gentleman misstates when he says that they will be excluded. I think he is inaccurately suggesting that the amendment of my friend from Massachusetts will totally restrict them from the program and will exclude them. Will he explain to me how they will be excluded?

Mr. LEACH. Mr. Chairman, if the gentleman will continue to yield, what the amendment of the gentleman from Massachusetts does and one of the reasons I think this is such a close call is suggest that only the poorest of the poor would be targeted.

Mr. FRANK of Massachusetts. Mr. Chairman, reclaiming my time, let me say this: Amendments do not suggest, amendments say, they are wording. And I think, Mr. Chairman, I believe that the chairman of the committee is being a little more ambiguous than the rules allow in this sense.

I challenge the notion that this excludes people. It does not suggest that they are excluded, it is amendment.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. FRANK] has expired.

Mr. FRANK of Massachusetts. Mr. Chairman, I ask for 2 additional minutes.

Mr. LAZIO of New York. Mr. Chairman, reserving my right to object, I would just like to ask if the gentleman from Massachusetts [Mr. FRANK] will yield to me.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield to the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. Mr. Chairman, I withdraw my objection.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. FRANK has expired.

(By unanimous consent, Mr. FRANK was allowed to proceed for 2 additional minutes.)

Mr. FRANK of Massachusetts. Mr. Chairman, the inaccurate statement has been made, in all good faith, that this excludes people, and I do not believe it excludes them. This is not, as I understand, I would just say in 10 more seconds I will yield, I have previously supported amendments to the Federal preference system because they had the effect of totally excluding people above poverty. This is not an effort totally to exclude them, nor do I believe the amendment does exclude them.

Mr. Chairman, I yield to the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. Mr. Chairman, I thank the gentleman. I would just say in the gentleman from Massachusetts' amendment, the eligibility for choice-based assistance is restricted to families with incomes of 50 percent or below of median income.

Mr. FRANK of Massachusetts. Mr. Chairman, I would inquire of the gentleman, 50 percent, not 30 percent.

Mr. LAZIO of New York. Mr. Chairman, to respond, no, but the language of the gentleman's amendment is that anybody above 50 percent is excluded, and that is what the gentleman from Iowa [Mr. LEACH] is taking.

Mr. FRANK of Massachusetts. Reclaiming my time, I think there is a clear misunderstanding here. My impression was from the gentleman from Iowa, and maybe I misheard him, was talking about 30 percent. If we were talking about 50 percent, it would be different. I thought there was a suggestion that the amendment excluded people above 30 percent of median, not 50

percent. That is a very different set of categories. I thought we were talking about people at 30 percent. If we are talking about 50 percent, it is a different story, but I thought there were statistics being given of people at 30 percent.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would just point out to my good friend that even HUD's own document here says that the likelihood of households having severe housing problems declines sharply as incomes rise above 30 percent of median. Over 70 percent of unassisted renters with incomes below 30 percent of median have priority problems compared with only 23 percent of unassisted renters with incomes between 31 and 50 percent.

What all that means is that the acute housing needs of people with incomes below $25,000 are where the housing demand is. If we have incomes above $25,000, people generally can afford housing.

Mr. FRANK of Massachusetts. Mr. Chairman, reclaiming my time, my clear understanding is the gentleman from Ohio was talking about 30 percent below median, not 50 percent, and 50 percent is the accurate people, people not being excluded below 30 percent.

Mr. PAUL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is a very interesting debate trying to decide how many vouchers we should have and how we can fairly distribute these vouchers. I think it would be fair to say that it would be very difficult ever to come up with a completely fair answer for everybody. I do not think there is a right answer. I think the whole debate over public housing is an interesting debate and, for me, a very disappointing debate. I do not know what number day this is, but it must be the 4th or 5th day we have been into the debate over public housing, and the differences between the two major debates here seems to be so little, from my viewpoint.

Mr. Chairman, what we are really dealing with, and I think everybody is concerned about it, and that is how do we provide the maximum number of houses for poor people. That is what we want to do. We have different versions of this effort, but the detail on how to do this, and this micromanagement, even like who gets vouchers and how to declare and what is happening, this is just a very, very strange debate for somebody like myself who comes from a free market constitutional position. But nevertheless, I hear this debate.

I do know, though, that if we look in general terms throughout the world, the more socialized a country is, the more interventionist it is, the more the government is involved in housing, the less houses we have for poor people. The more freedom a country has, the more houses there are.

We have only been in the business of really working to provide housing for our poor people in the last 30 years, and I do not think we have done that good a job. I think we have plenty of poor people. As a matter of fact, there are probably more homeless now than there were even 30 years ago. However, I think someday we might have to wake up and decide that public housing might not be the best way to achieve housing for poor people.

The basic assumption here in public housing is that if somebody does not have a house and another person has two houses, if we take one house from him and give it to the other one, that this would be fair and equitable. For some reason, this is not very appealing to me and to many others. As a matter of fact, if there was some slight degree of success on this, it would create a very dull society; it would cause a very poor society as well. But the efforts by government to redistribute houses never works, and we have to finally, I think, admit to this.

Mr. Chairman, the effort to pay for public housing is another problem. It is always assumed that there is going to be some wealthy individual that will pay for the house for the poor individual. But the assumption is always that the wealthy will pay for it, but unfortunately, due to our tax system and due to the inflationary system that we have, low, middle income and middle class individuals end up paying the bills.

This whole process is a snowball effect. The more effort we put out, the more problems it leaves, the more deficits we have, the more inflation we have, the more people become unemployed, and the more poor people we have, and the more pressure there is to build houses. This is what is going on. That is why people decry the fact that there are more homeless than ever before. And I grant, I believe there probably is, but I also believe that we are on the wrong track. I do not see how public housing has been beneficial. I believe, quite frankly, that it has been very detrimental.

The two approaches that I hear, one wants to raise the budget by $5 billion on our side of the aisle, and the other side complains it is not enough. I mean, how much more money? Is money itself going to do it?

The basic flaw in public housing is that both sides of this argument that I hear is based on a moral assumption that I find incorrect. It is based on the assumption that the government has the moral authority to use force to redistribute wealth, to take money from one group to give to another. In other words, it endorses the concept that one has a right to their neighbor's property.

This, to me, is the basic flaw that we accept, we do not challenge. I challenge it because I believe a free society is a more compassionate society. A free society can produce more houses than any type of government intervention or any government socialization of a program.

Compassion is a wonderful thing, but if it is misled by erroneous economic assumptions, it will do the opposite. The unintended consequences of government intervention, government spending, government inflation is a very serious problem, because it literally creates more of the problem that we are trying to solve.

So I would suggest that we should think more favorably about freedom, the marketplace, and a sound currency.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I thank the gentleman from Texas [Mr. GONZALEZ] for yielding to me.

I would just like to point out a number of income levels at the 50 percent of median that the amendment calls for. In Los Angeles, one can make $25,650 a year, and this really goes to the chairman of the full committee's numbers that he was citing earlier.

I just want to point out to the gentleman that that definitely covers two minimum wage income families, or wage earners. In New York it would $24,500. Washington, DC would be $34,150. Boston, MA, $28,250. In all of those circumstances, two minimum wage job earners in a single family would still qualify for this program.

So what it really comes down to, and if the gentleman from Iowa [Mr. LEACH] would engage in just a brief colloquy, I would appreciate it, because what we are really talking about, the gentleman understands that this no longer is an amendment that applies to public housing, it simply applies to the voucher program.

I think we have answered the issue as to whether or not this is somehow a disincentive to work. This indicates that two people working in the same family at minimum wage jobs would still be eligible for this program in almost every major city in America. And so what we are trying to suggest is that we have a real problem here where it is in fact the largest single growing area of our population, the very, very poor.

So the question before us is whether or not we are going to provide the housing to those very, very poor people under the voucher program.

Now, there are other programs that exist in the Federal Government such as housing finance agencies, all sorts of subsidy programs for homeownership, that incomes of $25,000, $30,000, $35,000 a year are all eligible. The low income housing tax credit, there are a whole range of additional programs that meet those individuals' needs.

□ 1645

We ought to be encouraging home ownership among those folks. This is a

program that has no concentration problems, has no problems with regard to creating these monstrosities of old public housing units, but what it does do is say that, please, let us try and provide this resource to the families that have the greatest need.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I just want to reemphasize the point my friend just made, this is the only program which you can get into, basically, if you are 50 percent and below. There are other programs, not as much. There is the low-income housing tax credit which helps people at 70 and 80 and 90 percent and 60 percent. There is the home program.

We have traditionally had in housing programs what we call deep subsidy programs and shallower subsidy programs. The problem we have is this: There is no way people at 30 and 40 percent can work their way into the lower subsidy programs. They cannot work up to that. They will never have enough money. So what you are doing is excluding to a great extent many of the poorest people from the only program they can afford. We have a range of programs, and you are skewing what has been a more balanced mix.

I never wanted this to be only for the very poor, and I fought some of the Federal preferentials that made it only for the very poor, but the point is when you talk about the exclusion of working people you are forgetting the low-income housing tax credit, you are forgetting tax-exempt bonds for State housing finance agencies, you are forgetting the home program, elderly housing programs, you are forgetting a whole range of other things which provide only for people at the upper end of eligibility, and you are denying it to people for whom it is the only resource.

Mr. LEACH. Mr. Chairman, if the gentleman will continue to yield, I would just stress that this program as currently drafted in the statute applies to the poorest of the poor, and it also applies to the working poor. The amendment of the gentleman from Massachusetts will exclude in many instances the working poor.

The second gentleman from Massachusetts notes, quite properly, that there are other programs that also deal with the working poor. But just so that there is no misunderstanding, because the gentleman cited some inner city circumstances that this amendment would not be exclusive of, in 16 States, 67 percent or more of HUD districts, families of four with two parents working full time at the minimum wage, would be excluded from this program.

The CHAIRMAN. The time of the gentleman from Texas [Mr. GONZALEZ] has expired.

(On request of Mr. KENNEDY of Masssachusetts and by unanimous consent, Mr. GONZALEZ was allowed to proceed for 2 additional minutes.)

Mr. LEACH. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Iowa.

Mr. LEACH. Mr. Chairman, I would also say that in addition to the 16 States, where two-thirds of the districts would be excluded, even in Massachusetts, which is not as affected as some other States, 44 percent of HUD districts would be excluded, of families of four with two parents working full time at no more than 55 cents above the minimum wage.

So what this amendment does that is good is it targets the poorest of the poor. What it does that is imperfect is that it gives disincentives to work and it excludes many members of the relatively working poor.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. I would just like to respond, Mr. Chairman, that the gentleman from Iowa has generally been a fair-minded chairman, and I think that he would perhaps admit that before this bill becomes law, some of these targeting amendments will change. So I find it surprising that he is going to argue this on merits.

Those families that the gentleman just cited I believe would all be eligible for home ownership programs throughout the State of Massachusetts and all the other 17 States the gentleman just identified.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, this notion of a work disincentive, given the existence of the welfare bill, would cut you off just comes out of thin air. The notion that people quit jobs or refuse to get jobs because they might get a section 8 when they would have no other means of support simply does not make any sense at all.

Do the Members on the other side not remember what they did in the welfare bill? I thank the gentleman for yielding to me.

Mr. LAZIO of New York. I move to strike the requisite number of words, Mr. Chairman.

Mr. Chairman, I would like to try and put this whole debate into perspective. Under H.R. 2, the bill that we have been discussing for the last 4 or 5 days, under the choice-based program, which is commonly known as the voucher program, if a local community chooses they may target every single one of the vouchers to people below 30 percent of area median income, the poorest of the poor. If they choose, they can target them all to 20 percent, or 15 percent, or 10 percent. The idea is that the local community can choose.

To the extent that the amendment of the gentleman from Massachusetts [Mr. KENNEDY] handcuffs the hands of local authorities and says that they must set aside *x* amount of units to people below 30 percent of area median income, and no vouchers to those families making over 50 percent of area median income, what it says is that the local communities, the housing authority cannot make a rational distinction for families that may be at 51 percent of area median income but have special needs. They are shut out.

Make no mistake about it, this is about local control, this is about flexibility, this is about local communities being able to set their own goals with the understanding that at a minimum under this bill, at a minimum, that they must devote 40 percent of the units to people making under 30 percent of area median income, the poorest of the poor, at a minimum 40 percent of the units. But they can do 50 or 60 or 70 or 80, depending on the local characteristics, and depending on the need of the people who are asking to be served, because some people will fall 1 or 2 or 5 or 8 percentage points higher, and they will have special needs that make them deserving of getting that voucher.

Now, it is entirely correct, entirely correct, because when we are using HUD statistics, that if the amendment of the gentleman from Massachusetts [Mr. KENNEDY] is adopted, families with two incomes, a husband and a wife at minimum wage or a few pennies above minimum wage, like 50 cents over minimum wage, will be completely shut out from vouchers, a family of four.

For example, in Pennsylvania, a family of four with two wage earners, a mom and dad at minimum wage, living in 61 percent of HUD's fair market rent areas will not be eligible to receive the voucher benefit; none, no families. In Illinois, 70 percent of the fair market rent areas would have families of four that would be wholly ineligible under the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY] to receive a voucher; in Arkansas, 93 percent; in Louisiana, 94 percent; 94 percent. Do Members want to know who is excluded? The families with two parents working at minimum wage, that is who would be excluded under the amendment offered by the gentleman from Massachusetts.

So if we took it to its logical extension, if people responded to the incentives that would be created by the gentleman's amendment, they would choose not to marry or they certainly would choose, they would certainly choose not to work, and so they would make no income. Therefore they would respond to the incentives under the amendment offered by the gentleman from Massachusetts to receive the benefit. But if they are workers at minimum wage and trying to make it, trying to live by the rules, they are shut out.

We are not saying under H.R. 2 that poor people should not get help, because under H.R. 2 we are saying at a

minimum, at a minimum, 40 percent of those vouchers ought to go to people of very low income. There is no maximum of vouchers to the very poor, but it is up to the local community to decide. We are not prescribing from Washington. We are not saying, again, Big Brother will tell you exactly what to do and what percentages you are going to set, because in the real world, in the real world, percentages do not accurately reflect the needs of families and individuals.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, is the gentleman seriously trying to stand up before us and tell us that if we target housing to very poor families, that that is a disincentive to get married?

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, what I am suggesting is that the gentleman's amendment, if adopted, would do precisely that. It would create that level of incentive, because I would say to the gentleman, again, if you have a family of two making minimum wage, you would not be eligible under the gentleman's amendment to receive vouchers in a vast amount of areas throughout the country. But if you chose not to get married or if you chose not to work, then you would be eligible. That is the incentive that the gentleman's amendment would create. That is why I am opposed to the gentleman's amendment.

Mr. WATT of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been fascinated by this debate, and a little perplexed. I kind of came in when the gentleman from Texas [Mr. PAUL] was making his comments, and noted that there were some striking similarities between what we were debating today and what we debated last week.

Last week we were trying to tell our colleagues on the other side, including the gentleman from Texas [Mr. PAUL], that if you take a house away from one person and give it to another, you are creating a problem for the one from whom you took it. That is why we said, hey, unless you are creating more housing, every time you take a public housing unit away from the very poor and give it to the working poor you are disadvantaging the very poor and putting them on the street.

The gentleman from Texas is not here, but I wanted to tell him that I certainly agree with his notion that if you take a house away from somebody and give it to somebody else, the person you took it from has been disadvantaged, but that was true last week as well as it is this week. It did not change from last week to this week. The same theory applies. It was true then, it is true now.

I wanted to tell him that while he may be right that public housing is a problem, we are not talking about public housing now. This is about vouchers, and so we are not talking about public housing projects or public housing communities this week. We had that discussion last week.

I certainly want to tell the gentleman from New York [Mr. LAZIO], the chairman of the subcommittee, that it is fine for him to talk about local flexibility today, but where was all the local flexibility last week when we were debating this issue, or earlier this week, when we were debating this issue? He values local flexibility now, it seems to me he would have valued it then.

But first and foremost, I cannot understand why last week and earlier this week the objective was to come up with a mix, and all of a sudden now we are on the other side of that issue. It is okay to mix in public housing working poor, even if it is at the expense of the very poor, but it is not okay to mix into the voucher program more poor people because that vouchered housing is out in some other parts of the community. If it is a good policy to support mixing income levels, then, my goodness, is it not a good policy running in both directions? It cannot be only a one-way street.

I do not understand, Mr. Chairman, why we have gotten ourselves into this, except that again the committee chairman and the subcommittee chairman are defending this bill at all costs, as if it was some perfect vehicle. This bill is not perfect. The problem is we have got a limited number of units and they have to go to somebody. We have a limited number of vouchers and they have to go to somebody.

We are trying to figure out some way to get not only poor people, the working poor taken care of, but we are trying to figure out a way to get the very poor taken care of, because if we do not do that, those people are going to end up on the street.

□ 1700

They do not have any options. And so while the Kennedy solution is not a perfect solution, the only perfect solution is to come up with more housing units for public housing and more vouchers for nonpublic housing to accommodate all of the people who do not have enough housing. That is the only perfect solution. I would submit to my colleagues that the solution of the gentleman from Massachusetts [Mr. KENNEDY] is a lot better than the solution that is provided for in the base bill.

I encourage my colleagues to support the Kennedy amendment.

Mr. NADLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I thank the gentleman from New York for yielding to me.

I want to respond just briefly to a number of these issues. We hear an awful lot of heated rhetoric here. I think when we get to a point where we are suggesting that by looking out for very poor people that we are somehow dealing with a disincentive to get married, we have reached a new low in terms of how we characterize this debate. This is very simply an issue of the fact that there are not enough resources to take care of the housing needs of very poor people.

The chairman of the committee understands very clearly that we did cut 25 percent of the Nation's homeless budget in these last 2 years. We have also dramatically cut back on housing funding by another 25 percent. The number of poor people that we are going to be able to affect in terms of housing policy has shrunk, not grown. The number of poor people that are eligible for this housing has grown substantially, not shrunk. So we have a bigger problem with shorter resources.

The question is whether or not in terms of these public housing projects, whether or not we should have a better mix of working families in those projects. I believe we should. I think that the Republican solution went too far in terms of public housing itself. However, we lost that debate. I accept that loss.

This is a different debate. This deals with the voucher program where the Government gives them a voucher. They can take it to any neighborhood. Where a landlord will accept payment in that neighborhood, they can get the unit. It has nothing to do with concentrations.

We have other housing programs with people, and I am sure in the State of Iowa, the State of Massachusetts, two very different States, I have spent time in both, when there are States as varying as those two, they are able to, with incomes of $25,000, $28,000, $30,000 a year, incomes with two parents working, they are eligible for a broad array of homeownership programs, including many programs that are offered by private sector banks, many of whom are incentivized through the Community Reinvestment Act.

There are banks that would line up to get families that have that kind of income to make loans to them, to buy condominiums that might be worth, $60,000, $70,000, $80,000 to $100,000 in all, a broad array of these markets. They are not the individuals that badly need the voucher program.

The families that need the voucher program are the very poor. It is the single largest growing portion of the American population. For us to say, using just the rhetoric of public housing projects, to denounce and to suggest that somehow by looking out for very poor people, this bill has fungibility built in, a new policy that I strongly object to, because what it enables us to do is to take and strip people out of various projects and take

them out of the public housing program and put them into the voucher program or vice versa.

The chairman would understand that there is an incentive brought by the local public housing authority to take in more upper-income people. It means that there are going to be very many more, very low income people that are not going to have any government assistance, nobody is going to take care of them. They are going to be out on the street. That is ultimately the policy that we are endorsing here. It is not antimarriage. It is not antilove. It is not antianything. It is just saying, can we find it in our souls to just be a little compassionate?

We have told the poor people they have to go to work. We have told the poor people that they cannot have dogs and cats. Well, OK, if we want to say that. We have told them all sorts of things in this bill. They have got to file personal improvement programs. They have to go to work. They have got all sorts of different requirements placed on them. What we are just trying to suggest is put whatever requirements we have to, but please give this housing to those families that have the greatest need.

Mr. LEACH. Mr. Chairman, will the gentleman yield?

Mr. NADLER. I yield to the gentleman from Iowa.

Mr. LEACH. Mr. Chairman, there are two statistics that I think one has to be very careful of. The gentleman has used 25 percent and with the time frame, but it must be placed in the RECORD that this bill that we have before us is 100 percent of the administration's request this year.

Mr. NADLER. Mr. Chairman, reclaiming my time, I yield to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, the gentleman from Iowa knows that the funding levels that we have already suggested, that the President was wrong at the funding levels. I know my colleague makes the case that that means that we are out of touch.

The CHAIRMAN. The time of the gentleman from New York [Mr. NADLER] has expired.

(By unanimous consent, Mr. NADLER was allowed to proceed for 2 additional minutes.)

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman will continue to yield, what I am pointing out to the gentleman is that it was the Republican Congress, it was under his leadership that this committee cut the homeless budget by 25 percent and cut the housing budget by 25 percent as well. It was those actions that ended up with the lower funding levels at $20 billion a year and less than a billion dollars a year in homeless funding. That is what happened. It was under the Republican leadership, under the Contract With America, under the rescission bill that that took place. And that is why we are at the level of funding we are today. It is unconscionable that President Clinton accepted those funding levels. And if he were here on this floor today, I would tell him to his face.

This is a terrible level of housing assistance but it does not provide an excuse for us going along with it.

Mr. LEACH. Mr. Chairman, will the gentleman yield?

Mr. NADLER. I yield to the gentleman from Iowa.

Mr. LEACH. Mr. Chairman, first I want to be very precise on several points. The gentleman has referred to a reduction in spending for several programs as part of a 95 supplemental which was not passed out of our committee. This was not a committee that passed that out. So the gentleman is making a point in attempting to assert a degree of personal responsibility for which I think he should be very cautious.

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman will continue to yield, did the gentleman from Iowa vote for that budget?

Mr. LEACH. Yes, Mr. Chairman, and the President of the United States signed it.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I have said that I do not go along with the President of the United States on this. I certainly did not vote for it. The gentleman's side initiated it and his side voted for it.

Mr. LEACH. Mr. Chairman, if the gentleman will continue to yield, I would also stress again, what this bill does, as it is currently constituted, is target to the poorest of the poor, but then it does not say that the near-poor are excluded. What the Kennedy amendment does is exclude the near-poor. In this regard, we are also saying that it is local discretion. There is no binding exclusion which the Kennedy amendment implies. But under the committee approach, 100 percent would go to the poorest of the poor.

The CHAIRMAN. The time of the gentleman from New York [Mr. NADLER] has again expired.

(By unanimous consent, Mr. NADLER was allowed to proceed for 1 additional minute.)

Mr. NADLER. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I just wonder if perhaps the solution to this issue would be to go back to what is current policy. Would the gentleman from Iowa object to a provision that would suggest that we keep 75 percent of the units at below 30 percent and allow the other 25 percent to go to whatever income levels that the gentleman chooses?

Mr. LEACH. Mr. Chairman, if the gentleman will continue to yield, I would be happy to look carefully at language that comes before the committee. We will seriously review it. That will become a conferenceable issue. This chairman of this committee would have an open mind.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would suggest to the gentleman that we are in the midst of a markup. We are at a situation right now, Mr. Chairman, where we have the possibility. I have the authority to accept that provision. It goes back to existing law. We do not need a lot of studies. We have a lot of years of experience. I wonder whether or not the chairman would convince the chairman of the Subcommittee on Housing to accept that right now.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. NADLER. I yield to the gentleman from New York.

The CHAIRMAN. The time of the gentleman from New York [Mr. NADLER] has again expired.

(On request of Mr. LAZIO of New York, and by unanimous consent, Mr. NADLER was allowed to proceed for 30 additional seconds.)

Mr. LAZIO of New York. Mr. Chairman, I would say that the very essence of H.R. 2 is local flexibility. That is not in current law. Current law suggests, again, go back to the same old Washington prescription. This is why we want to have this kind of flexibility so that working people, families making, a family of four with two wage earners at minimum wage would not be shut out as they are, both under the Kennedy amendment and under current law.

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. NADLER. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Chairman, I cannot sit here and listen to the chairman of our subcommittee say that with a straight face after the debate we had last week. The essence of this bill is certainly not local flexibility, far from it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY].

The question was taken; and the Chair announced that the noes appeared to have it.

Mr. Kennedy of Massachusetts. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 133, further proceedings on the amendment offered by gentleman from Massachusetts [Mr. KENNEDY] will be postponed.

Are there further amendments to title III?

AMENDMENT OFFERED BY MR. NADLER

Mr. NADLER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of amendment is as follows:

Amendment offered by Mr. NADLER:

Page 184, strike lines 5 through 8 and insert the following:

(a) IN GENERAL.—There is authorized to be appropriated for providing public housing agencies with housing assistance under this title for each of fiscal years 1998, 1999, 2000, 2001, and 2002—

(1) such sums as may be necessary to renew any contracts for choice-based assistance under this title or tenant-based assistance under section 8 of the United States Housing Act of 1937 (as in effect before the repeal under section 601(b) of this Act) that expire during such fiscal year, only for use for such purpose; and

(2) $305,000,000, only for use for incremental assistance under this title.

Mr. LAZIO of New York. Mr. Chairman, we have negotiated a time limitation on this amendment of 26 minutes, evenly divided, the gentleman from New York controlling half the time and myself controlling half the time.

I ask unanimous consent that debate on this amendment and all amendments thereto be limited to 26 minutes, evenly divided between the gentleman from New York [Mr. NADLER] and myself.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. LAZIO] and the gentleman from New York [Mr. NADLER], each will control 13 minutes.

The Chair recognizes the gentleman from New York [Mr. NADLER].

Mr. NADLER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today to offer an amendment to this bill that would, I would like to commend the gentleman from New York on the other side and the gentleman from Massachusetts for their hard work on this bill. This bill is seriously deficient because it reneges on our national commitment to create decent affordable housing. This bill provides absolutely no specific funding to make any new housing available to low income or moderate income families.

My amendment, which the gentleman from New York [Mr. SCHUMER] joins me in offering, would authorize 50,000 new section 8 vouchers to help low income families afford safe decent housing. We must send the appropriators a message that we believe the creation of new section 8 vouchers is a priority.

I would like to thank the chairman of the subcommittee and gentleman from Massachusetts for including language in the bill so that funding will be available to renew all existing section 8 vouchers. It is vitally important that those families currently benefiting from this program not be suddenly thrown out on the street. But it is not enough. The need for housing assistance remains staggering. Today 5.3 million poor families either pay more than 50 percent of their income for rent or live in severely substandard housing.

President Franklin Delano Roosevelt, founder of the public housing system in our Nation, spoke eloquently in 1944 of the fact that, and I quote, ''True individual freedom cannot exist without economic security and independence. Necessitous men are not free men.''

FDR was right. Every family has the right to a decent home, or do we no longer believe this to be so?

President Roosevelt's commitment to provide decent, safe, affordable housing to those that cannot afford the rent in the private market continued through administrations both Republican and Democratic. Richard Nixon, Ronald Reagan and George Bush all to some degree continued that commitment. But 2 years ago, the majority in Congress decided that commitment was no longer worth keeping. For the first time since the program began, no money was provided in that budget for new section 8 vouchers.

Our amendment will return to the legacy of the past half century. It will authorize funding to provide for an additional 50,000 certificates, equal to the President's request. I challenge anyone to argue that tenant-based section 8 vouchers do not achieve their goals. The tenant-based section 8 program is one of the most successful housing programs in existence. Section 8 pays a portion of a qualified family's rent. Each family commits 30 percent of their income to rent. The rest is paid by the section 8 voucher.

Overall rents are capped at fair market value. Thanks to section 8, families are able to afford decent safe housing; nothing extravagant and frankly sometimes not very nice at all, but much better than the alternative. For these families section 8 is more than a contract or a subsidy. It is often the foundation upon which they can build lifelong economic self-sufficiency. Section 8 allows families to enter the private housing market and choose where they live, creating better income mixes throughout our communities.

□ 1715

Today over a million families receive section 8 vouchers, which give them the mobility to choose their own decent housing. Yet over 5 million households are defined by HUD as having worst case housing needs; that is, paying over 50 percent of their income in rent or living in severely substandard housing. Not one of these 5 million families receives any Federal housing assistance. Their need is desperate. We must not turn our backs on the realities of the housing market and our people's desperate needs.

Our amendment will allow 50,000 more families to live in safe, affordable, decent housing. It is not asking for much. We only ask that today we commit to meet 1 percent of the need for affordable housing in our Nation. We can and should do more, but today, I will ask only for a very modest downpayment.

Some will say even helping 1 percent will cost too much. Some will say we cannot afford to pay the $6,000 per family it would cost to provide decent housing for these families. The reality is we cannot afford to shirk this responsibility.

The money is there. The chairman of the Committee on the Budget has taken the lead in pointing out the billions of dollars we spend each year on corporate welfare. The GAO recently reported that the Department of Defense has $2.7 billion in inventory items which are not needed to meet the services' operating and reserve requirements. Simply eliminating from the defense budget just the storage cost of these unnecessary inventory items would save $382 million annually, substantially more than the cost of this amendment.

That is the choice before us today: Pay for outdated, archaic, inflated needs, and we can find them throughout the budget, or focus our scarce resources on programs that, without question, do much good. Which is more important, unnecessary rivets collecting dust in a warehouse somewhere or a roof over a family's head?

Mr. Chairman, I ask support for this amendment.

Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I thank the gentleman from New York [Mr. LAZIO] for allowing me to proceed, and I thank the other gentleman from New York [Mr. NADLER] for yielding me this time.

Mr. Chairman, next week the House will consider a supplemental appropriations bill to help the victims of the Red River flood. I will join most Members in supporting this legislation because the families of Grand Forks need and deserve our help. But the offset for this emergency assistance is, once again, housing.

It seems that every time we cut the budget or provide relief to victims of natural disasters, the first account we look to is the housing account. In this latest supplemental we are cutting housing programs by $3.5 billion. These funds were put aside by housing authorities at our discretion to begin to cover the massive payment we all know is coming due for expiring project-based assistance.

These are not just my views. This week the chairman of the Senate Committee on the Budget, PETE DOMENICI, said expiring section 8 contracts will gobble up discretionary spending. So, with no thought to the consequences, we will soon vote to eliminate funding for 500,000 federally assisted housing units.

The amendment I offer, with my good friend from New York, Mr. NADLER, says we must stop using HUD for spare parts. Under Presidents Richard Nixon, Gerald Ford, Ronald Reagan, and George Bush, Congress and the President managed to find at least some new money for housing. But last year, for the first time in 50 years, we provided nothing, no new money for housing construction and no new money for section 8.

It is not because we solved the housing crisis. As we all know too well, 5.3 million families still pay over half their income in rent and live in substandard units, the likes of which my colleagues and I would be repulsed by.

Our amendment provides a modest increase of $300 million for section 8 housing each year over the next 5 years. Our amendment lets 50,000 new families each year receive desperately needed housing assistance. It is identical to the President's request, which means that in the context of balancing the budget, we can afford it.

I commend the gentleman from New York, Chairman LAZIO, for many of the reforms in this bill, particularly in the area of public housing. I understand he is under a great deal of pressure to cut spending, and he has received no support from those on his side of the aisle to fight for funding.

This is, indeed, a well-intentioned bill, but it is not enough. We have a 50-year streak of helping those with housing needs. Let us not jeopardize it. Support the Nadler-Schumer amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 4½ minutes.

Mr. Chairman, I want to say, first of all, that under the terms of H.R. 2, the bill we are debating today, we do authorize incremental or new vouchers. In the language of the bill we simply authorize that such sums as may be necessary are authorized. The reason for that is because we do not have any basis for fixing a sum.

For example, certain buildings in public housing will be demolished, in which case some of those residents may receive vouchers. In some cases the cost of remodeling will be so great that it will be more cost effective and the choice will be better for the tenant to receive a voucher, and they will receive that voucher. In other situations, people that may be displaced are seniors or disabled and will be receiving vouchers but, again, we are not sure exactly how many there are.

So we have tried to make it clear from an authorizing standpoint that we are for additional new vouchers, but we cannot exactly say for sure because there is no basis to say for sure how many new vouchers we are authorizing.

Now, under the amendment offered by the gentlemen from New York, they are requesting a sum certain, $350 million in budget authority for new section 8 certificates and vouchers of the choice-based program under the terms of the bill. According to the General Accounting Office, there is no basis in fact in which to determine, other than this objective, that 50,000 vouchers is the appropriate amount of vouchers. It may be too little or it may be too much, but there is no certainty.

That is why we have allowed maximum flexibility in the bill but, at the same time, a statement that we believe that additional vouchers should be authorized, they are authorized and should be appropriated for.

Mr. NADLER. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from New York.

Mr. NADLER. Mr. Chairman, I thank the gentleman from New York for yielding to me.

Let me just say first that the reason we put a specific amount in here, and the specific amount is the amount suggested in the President's budget, is that we believe that given the fact that in this year's budget, the budget we are living under now, there is zero appropriation for new section 8 housing, and an open-ended authorization of whatever may be necessary will not get anything from the appropriators. So we think that we should have a sum certain.

I would ask the gentleman if he would, whether this amendment passes or fails, if he would join us in asking the Committee on Appropriations for a sum certain. I would ask for this amount, the gentleman may pick some other number, but a sum certain so that we know that in this budget we will at least continue our commitment to new section 18?

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, I would say to the gentleman that I would be happy to advocate to the Committee on Appropriations for additional vouchers, choice-based vouchers.

If we could find an appropriate basis to fix an authorization number, I would even be willing, in the event this amendment fails, to include that, if we could, at conference level.

My position is that I do not have any basis right now in order to fix a number. I would also add that the appropriators, of course, even with an authorization, chose not to appropriate money. So there is really no reason, simply because we have a fixed number of $350 million, to presume that alone would lead the appropriators to appropriate money for that account. Because there is, of course the gentleman knows, a crisis in the project-based section 8 which needs to be resolved, and I understand that and I sympathize with the appropriators, but I am happy and pleased to advocate for additional vouchers because the need is clearly there.

Mr. NADLER. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. DAVIS].

Mr. DAVIS of Illinois. Mr. Chairman, I thank the gentleman from New York [Mr. NADLER] for yielding.

Mr. Chairman, I rise to support this amendment, and I do so because it attempts to recognize one of the great needs in our society. Almost any evening across urban America, you can walk down the streets and see hundreds of men and women lined up trying to get in shelters because they have no place to go.

This amendment would, at least, give 50,000 additional homeless families in America a place to live. I strongly support it. I commend the gentleman for introducing it and hope that it will pass.

Mr. NADLER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to commend the gentleman from New York [Mr. LAZIO], the chairman of the Subcommittee on Housing and Community Opportunity, for agreeing with the need for additional vouchers and for his agreeing to go to the Committee on Appropriations and urge additional vouchers.

I would suggest, however, that we all know, that the gentleman from New York knows and I know and everyone knows, that given the fiscal stringencies in the balanced budget agreement, whatever happens to the politics of that over the next few weeks and months, that the odds of getting a real appropriation, a sizable appropriation, are very small. The odds of getting an appropriation that exceeds the amount suggested in this authorization in this amendment is, I would suggest, nil.

So I would urge the gentleman to accept this amendment as a ceiling on what we can realistically expect and as an expression by the House to the appropriators that may strengthen our hand in getting some reasonable fraction of this as an appropriation. I hope the gentleman will see the reasoning of that.

But, in any event, I would urge the passage of this amendment, if only to say morally that this House demands, that the House wants and knows that we need additional section 8 vouchers. I suspect that by putting a specific number in it, it really does strengthen our hand with the appropriators, although it obviously does not guarantee it.

Mr. Chairman, I reserve the balance of my time.

Mr. LAZIO of New York. Mr. Chairman, I have no other speakers on this amendment. If I may inquire of the gentleman from New York [Mr. NADLER] if he has additional speakers.

Mr. NADLER. Mr. Chairman, we have no other speakers. I yield myself such time as I may consume.

Mr. Chairman, in summary, we need more section 8 vouchers. It is the only program we have going for additional low-income and moderate-income housing units. We have 5.3 million households. That is probably 15 or 16 million people in desperate need of new housing.

Last year was the first year since 1937, with the possible exception of a couple years in World War II, in which we had a zero budget for new low- and moderate-income housing. I think it imperative that we speak out by adoption of this amendment that we do not mean to make permanent this turning away from our 60 years' commitment to house our people decently. So I urge the adoption of this amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. LAZIO of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I wonder if I could enter into a colloquy with the gentleman from New York [Mr. NADLER]. First of all, let me compliment the gentleman for his interest in housing

and community development. I am well aware of it in the New York metropolitan area.

Second of all, let me inquire of the gentleman if it would be acceptable to the gentleman if he received a commitment from this Member to work with him to establish a fixed amount in terms of authorization or, in the alternative, to go to the Committee on Appropriations to argue with the gentleman for an appropriate amount for which we could establish some logical basis, if the gentleman would consider withdrawing the amendment for now and working with this Member?

Mr. NADLER. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from New York.

Mr. NADLER. Mr. Chairman, I am not clear on what the gentleman is suggesting. Is the gentleman suggesting that we would simply go to the Committee on Appropriations and that we would seek a different amount to put in as an amendment to this bill?

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, I would suggest that we could pursue either or both strategies as long as we get a reasonable basis in order to fix an amount.

Mr. NADLER. Mr. Chairman, if the gentleman will continue to yield, I appreciate the commitment of the gentleman and willingness or eagerness to join in going to the Committee on Appropriations to urge a specific amount. I do think this bill should contain a specific amount.

I would be willing to withdraw this amendment if we have the agreement that we will try to work out by Tuesday a specific amount which we would then put into the bill and, if we do not reach that, we can have at least a voice vote on this amendment.

□ 1730

But I do think we should have a specific amount, not simply in mind with which to go to the Committee on Appropriations but in the bill.

Mr. LAZIO of New York. If I could reclaim my time, the best case scenario from this Member's perspective would be if the gentleman would withdraw the amendment and we would work to see if we could establish some good basis in order to make a judgment. But if that were not the case that we could do that by Tuesday, it might take longer. But I am committing to the gentleman that I would work with the gentleman to advocate for additional vouchers as long as we have a reasonable amount. Otherwise, I am afraid that we would be asking for an amount that has no clear basis. It has merit but not a factual basis.

Mr. NADLER. If the gentleman will yield further, I understand what the gentleman means. I would be willing on that basis to withdraw the amendment until Tuesday so we could if we reach an agreement, an agreed amount, put it in and do that then. I do not think I could withdraw the amendment without that.

Mr. LAZIO of New York. I thank the gentleman. We will have to take the vote on this. I thank the gentleman and look forward to working with him either way.

Mr. NADLER. If the gentleman will yield further, I appreciate the gentleman's comments. I look forward to working with him whatever happens to this amendment at this point.

Mr. LAZIO of New York. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. NADLER].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. LAZIO of New York. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 133, further proceedings on the amendment offered by the gentleman from New York [Mr. NADLER] will be postponed.

Are there further amendments to title III?

The Clerk will designate title IV.

The text of title IV is as follows:

**TITLE IV—HOME RULE FLEXIBLE GRANT OPTION**

**SEC. 401. PURPOSE.**

The purpose of this title is to give local governments and municipalities the flexibility to design creative approaches for providing and administering Federal housing assistance based on the particular needs of the communities that—

(1) give incentives to low-income families with children where the head of household is working, seeking work, or preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient;

(2) reduce cost and achieve greater cost-effectiveness in Federal housing assistance expenditures;

(3) increase housing choices for low-income families; and

(4) reduce excessive geographic concentration of assisted families.

**SEC. 402. FLEXIBLE GRANT PROGRAM.**

(a) AUTHORITY AND USE.—The Secretary shall carry out a program under which a jurisdiction may, upon the application of the jurisdiction and the review and approval of the Secretary, receive, combine, and enter into performance-based contracts for the use of amounts of covered housing assistance in a period consisting of not less than 1 nor more than 5 fiscal years in the manner determined appropriate by the participating jurisdiction—

(1) to provide housing assistance and services for low-income families in a manner that facilitates the transition of such families work;

(2) to reduce homelessness;

(3) to increase homeownership among low-income families; and

(4) for other housing purposes for low-income families determined by the participating jurisdiction.

(b) INAPPLICABILITY OF CATEGORICAL PROGRAM REQUIREMENTS.—

(1) IN GENERAL.—Except as provided in paragraph (2) and section 405, the provisions of this Act regarding use of amounts made available under each of the programs included as covered housing assistance and the program requirements applicable to each such program shall not apply to amounts received by a jurisdiction pursuant to this title.

(2) APPLICABILITY OF CERTAIN LAWS.—This title may not be construed to exempt assistance under this Act from, or make inapplicable any provision of this Act or of any other law that requires that assistance under this Act be provided in compliance with—

(A) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.);

(B) the Fair Housing Act (42 U.S.C. 3601 et seq.);

(C) section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

(D) title IX of the Education Amendments of 1972 (86 Stat. 373 et seq.);

(E) the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.);

(F) the Americans with Disabilities Act of 1990; or

(G) the National Environmental Policy Act of 1969 and other provisions of law that further protection of the environment (as specified in regulations that shall be issued by the Secretary).

(c) EFFECT ON PROGRAM ALLOCATIONS FOR COVERED HOUSING ASSISTANCE.—The amount of assistance received pursuant to this title by a participating jurisdiction shall not be decreased, because of participation in the program under this title, from the sum of the amounts that otherwise would be made available for or within the participating jurisdiction under the programs included as covered housing assistance.

**SEC. 403. COVERED HOUSING ASSISTANCE.**

For purposes of this title, the term ''covered housing assistance'' means—

(1) operating assistance provided under section 9 of the United States Housing Act of 1937 (as in effect before the effective date of this Act);

(2) modernization assistance provided under section 14 of such Act;

(3) assistance provided under section 8 of such Act for the certificate and voucher programs;

(4) assistance for public housing provided under title II of this Act; and

(5) choice-based rental assistance provided under title III of this Act.

Such term does not include any amounts obligated for assistance under existing contracts for project-based assistance under section 8 of the United States Housing Act of 1937 or section 601(f) of this Act.

**SEC. 404. PROGRAM REQUIREMENTS.**

(a) ELIGIBLE FAMILIES.—Each family on behalf of whom assistance is provided for rental or homeownership of a dwelling unit using amounts made available pursuant to this title shall be a low-income family. Each dwelling unit assisted using amounts made available pursuant to this title shall be available for occupancy only by families that are low-income families at the time of their initial occupancy of the unit.

(b) COMPLIANCE WITH ASSISTANCE PLAN.—A participating jurisdiction shall provide assistance using amounts received pursuant to this title in the manner set forth in the plan of the jurisdiction approved by the Secretary under section 406(a)(2).

(c) RENT POLICY.—A participating jurisdiction shall ensure that the rental contributions charged to families assisted with amounts received pursuant to this title—

(1) do not exceed the amount that would be chargeable under title II to such families were such families residing in public housing assisted under such title: or

(2) are established, pursuant to approval by the Secretary of a proposed rent structure included in the application under section 406, at levels that are reasonable and designed to eliminate any disincentives for members of

the family to obtain employment and attain economic self-sufficiency.

(d) HOUSING QUALITY STANDARDS.—

(1) COMPLIANCE.—A participating jurisdiction shall ensure that housing assisted with amounts received pursuant to this title is maintained in a condition that complies—

(A) in the case of housing located in a jurisdiction which has in effect laws, regulations, standards, or codes regarding habitability of residential dwellings, with such applicable laws, regulations, standards, or codes; or

(B) in the case of housing located in a jurisdiction which does not have in effect laws, regulations, standards, or codes described in paragraph (1), with housing quality standards established under paragraph (2).

(2) FEDERAL HOUSING QUALITY STANDARDS.—the Secretary shall establish housing quality standards under this paragraph that ensure that dwelling units assisted under this title are safe, clean, and healthy. Such standards shall include requirements relating to habitability, including maintenance, health and sanitation factors, condition, and construction of dwellings, and shall, to the greatest extend practicable, be consistent with the standards established under sections 232(b) and 328(c). The Secretary shall differentiate between major and minor violations of such standards.

(e) NUMBER OF FAMILIES ASSISTED.—A participating jurisdiction shall ensure that, in providing assistance with amounts received pursuant to this title in each fiscal year, not less than substantially the same total number of eligible low-income families are assisted as would have been assisted had the amounts of covered housing assistance not been combined for use under this title.

(f) CONSISTENCY WITH WELFARE PROGRAM.—A participating jurisdiction shall ensure that assistance provided with amounts received pursuant to this title is provided in a manner that is consistent with the welfare, public assistance, or other economic self-sufficiency programs operating in the jurisdiction by facilitating the transition of assisted families to work, which may include requiring compliance with the requirements under such welfare, public assistance, or self-sufficiency programs as a condition of receiving housing assistance with amounts provided under this title.

(g) TREATMENT OF CURRENTLY ASSISTED FAMILIES.—

(1) CONTINUATION OF ASSISTANCE.—A participating jurisdiction shall ensure that each family that was receiving housing assistance or residing in an assisted dwelling unit pursuant to any of the programs included as covered housing assistance immediately before the jurisdiction initially provides assistance pursuant to this title shall be offered assistance or an assisted dwelling unit under the program of the jurisdiction under this title.

(2) PHASE-IN OF RENT CONTRIBUTION INCREASES.—For any family that was receiving housing assistance pursuant to any of the programs included as covered housing assistance immediately before the jurisdiction initially provides assistance pursuant to this title, if the monthly contribution for rental of a dwelling unit assisted under this title to be paid by the family upon initial applicability of this title is greater than the amount paid by the family immediately before such applicability, any such resulting increase in rent contribution shall be—

(A) phased in equally over a period of not less than 3 years, if such increase is 30 percent or more of such contribution before initial applicability; and

(B) limited to not more than 10 percent per year if such increase is more than 10 percent but less than 30 percent of such contributions before initial applicability.

(h) AMOUNT OF ASSISTANCE.—In providing housing assistance using amounts received pursuant to this title, the amount of assistance provided by a participating jurisdiction on behalf of each assisted low-income family shall be sufficient so that if the family used such assistance to rent a dwelling unit having a rent equal to the 40th percentile of rents for standard quality rental units of the same size and type in the same market area, the contribution toward rental paid by the family would be affordable (as such term is defined by the jurisdiction) to the family.

(i) PORTABILITY.—A participating jurisdiction shall ensure that financial assistance for housing provided with amounts received pursuant to this title may be used by a family moving from an assisted dwelling unit located within the jurisdiction to obtain a dwelling unit located outside of the jurisdiction.

(j) PREFERENCES.—In providing housing assistance using amounts received pursuant to this title, a participating jurisdiction may establish a system for making housing assistance available that provides preference for assistance to families having certain characteristics. A system of preferences established pursuant to this subsection shall be based on local housing needs and priorities, as determined by the jurisdiction using generally accepted data sources.

(k) COMMUNITY WORK REQUIREMENT.—

(1) APPLICABILITY OF REQUIREMENTS FOR PHA'S.—Except as provided in paragraph (2), participating jurisdictions, families assisted with amounts received pursuant to this title, and dwelling units assisted with amounts received pursuant to this title, shall be subject to the provisions of section 105 of the same extent that such provisions apply with respect to public housing agencies, families residing in public housing dwelling units and families assisted under title III, and public housing dwelling units and dwelling units assisted under title III.

(2) LOCAL COMMUNITY SERVICE ALTERNATIVE.—Paragraph (1) shall not apply to a participating jurisdiction that, pursuant to approval by the Secretary of a proposal included in the application under section 406, is carrying out a local program that is designed to foster community service by families assisted with amounts received pursuant to this title.

(l) INCOME TARGETING.—In providing housing assistance using amounts received pursuant to this title in any fiscal year, a participating jurisdiction shall ensure that the number of families having incomes that do not exceed 30 percent of the area median income that are initially assisted under this title during such fiscal year is not less than substantially the same number of families having such incomes that would be initially assisted in such jurisdiction during such fiscal year under titles II and III pursuant to sections 222(c) and 321(b)).

**SEC. 405. APPLICABILITY OF CERTAIN PROVISIONS.**

(a) PUBLIC HOUSING DEMOLITION AND DISPOSITION REQUIREMENTS.—Section 261 shall continue to apply to public housing notwithstanding any use of the housing under this title.

(b) LABOR STANDARDS.—Section 112 shall apply to housing assisted with amounts provided pursuant to this title, other than housing assisted solely due to occupancy by families receiving tenant-based assistance.

**SEC. 406. APPLICATION.**

(a) IN GENERAL.—The Secretary shall provide for jurisdictions to submit applications to receive and use covered housing assistance amounts as authorized in this title for periods of not less than 1 and not more than 5 fiscal years. An application—

(1) shall be submitted only after the jurisdiction provides for citizen participation through a public hearing and, if appropriate, other means;

(2) shall include a plan developed by the jurisdiction for the provision of housing assistance with amounts received pursuant to this title that takes into consideration comments from the public hearing and any other public comments on the proposed program, and comments from current and prospective residents who would be affected, and that includes criteria for meeting each of the requirements under section 404 and this title;

(3) shall describe how the plan for use of amounts will assist in meeting the goals set forth in section 401;

(4) shall propose standards for measuring performance in using assistance provided pursuant to this title based on the performance standards under subsection (b)(2);

(5) shall propose the length of the period for which the jurisdiction is applying for assistance under this title; and

(6) may include a request assistance for training and technical assistance to assist with design of the program and to participate in a detailed evaluation.

(7) shall—

(A) in the case of the application of any jurisdiction within whose boundaries are areas subject to any other unit of general local government, include the signed consent of the appropriate executive official of such unit to the application; and

(B) in the case of the application of a consortia of units of general local government (as provided under section 409(1)(B)), include the signed consent of the appropriate executive officials of each unit included in the consortia;

(8) shall include information sufficient, in the determination of the Secretary—

(A) to demonstrate that the jurisdiction has or will have management and administrative capacity sufficient to carry out the plan under paragraph (2);

(B) to demonstrate that carrying out the plan will not result in excessive duplication of administrative efforts and costs, particularly with respect to activities performed by public housing agencies operating within the boundaries of the jurisdiction;

(C) to describe the function and activities to be carried out by such public housing agencies affected by the plan; and

(D) to demonstrate that the amounts received by the jurisdiction will be maintained separate from other funds available to the jurisdiction and will be used only to carry out the plan; and

(9) shall include information describing how the jurisdiction will make decisions regarding asset management of housing for low-income families under programs for covered housing assistance or assisted with grant amounts under this title.

A plan required under paragraph (2) to be included in the application may be contained in a memorandum of agreement or other document executed by a jurisdiction and public housing agency, if such document is submitted together with the application.

(b) REVIEW, APPROVAL, AND PERFORMANCE STANDARDS.—

(1) REVIEW.—The Secretary shall review applications for assistance pursuant to this title. If the Secretary determines that the application complies with the requirements of this title, the Secretary shall offer to enter into an agreement with jurisdiction providing for assistance pursuant to this title and incorporating a requirement that the jurisdiction achieve a particular level of performance in each of the areas for which performance standards are established under paragraph (2). If the Secretary determines that an application does not comply with the

requirements of this title, the Secretary shall notify the jurisdiction submitting the application of the reasons for such disapproval and actions that may be taken to make the application approvable. Upon approving or disapproving an application under this paragraph, the Secretary shall make such determination publicly available in writing together with a written statement of the reasons for such determination.

(2) PERFORMANCE STANDARDS.—The Secretary shall establish standards for measuring performance of jurisdictions in the following areas:

(A) Success in moving dependent low-income families to economic self-sufficiency.

(B) Success in reducing the numbers of long-term homeless families.

(C) Decrease in the per-family cost of providing assistance.

(D) Reduction of excessive geographic concentration of assisted families.

(E) Any other performance goals that the Secretary may prescribe.

(3) APPROVAL.—If the Secretary and a jurisdiction that the Secretary determines has submitted an application meeting the requirements of this title enter into an agreement referred to in paragraph (1), the Secretary shall approve the application and provide covered housing assistance for the jurisdiction in the manner authorized under this title. The Secretary may not approve any application for assistance pursuant to this title unless the Secretary and jurisdiction enter into an agreement referred to in paragraph (1). The Secretary shall establish requirements for the approval of applications under this section submitted by public housing agencies designated under section 533(a) as troubled, which may include additional or different criteria determined by the Secretary to be more appropriate for such agencies.

(c) STATUS OF PHA'S.—Nothing in this section or title may be construed to require any change in the legal status of any public housing agency or in any legal relationship between a jurisdiction and a public housing agency as a condition of participation in the program under this title.

**SEC. 407. TRAINING.**

The Secretary, in consultation with representatives of public and assisted housing interests, shall provide training and technical assistance relating to providing assistance under this title and conduct detailed evaluations of up to 30 jurisdictions for the purpose of identifying replicable program models that are successful at carrying out the purposes of this title.

**SEC. 408. ACCOUNTABILITY.**

(a) PERFORMANCE GOALS.—The Secretary shall monitor the performance of participating jurisdictions in providing assistance pursuant to this title based on the performance standards contained in the agreements entered into pursuant to section 406(b)(1).

(b) KEEPING RECORDS.—Each participating jurisdiction shall keep such records as the Secretary may prescribe as reasonably necessary to disclose the amounts and the disposition of amounts provided pursuant to this title, to ensure compliance with the requirements of this title and to measure performance against the performance goals under subsection (a).

(c) REPORTS.—Each participating jurisdiction agency shall submit to the Secretary a report, or series of reports, in a form and at a time specified by the Secretary. The reports shall—

(1) document the use of funds made available under this title;

(2) provide such information as the Secretary may request to assist the Secretary in assessing the program under this title; and

(3) describe and analyze the effect of assisted activities in addressing the purposes of this title.

(d) ACCESS TO DOCUMENTS BY SECRETARY.—The Secretary shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to assistance in connection with, and the requirements of, this title.

(e) ACCESS TO DOCUMENTS BY COMPTROLLER GENERAL.—The Comptroller General of the United States, or any of the duly authorized representatives of the Comptroller General, shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to assistance in connection with, and the requirements of, this title.

**SEC. 409. DEFINITIONS.**

For purposes of this title, the following definitions shall apply:

(1) JURISDICTION.—The term ''jurisdiction'' means—

(A) a unit of general local government (as such term is defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act) that has boundaries, for purposes of carrying out this title, that—

(i) wholly contain the area within which a public housing agency is authorized to operate; and

(ii) do not contain any areas contained within the boundaries of any other participating jurisdiction; and

(B) a consortia of such units of general local government, organized for purposes of this title.

(2) PARTICIPATING JURISDICTION.—The term ''participating jurisdiction'' means, with respect to a period for which such approval is made, a jurisdiction that has been approved under section 406(b)(3) to receive assistance pursuant to this title for such fiscal year.

The CHAIRMAN. Are there amendments to title IV?

AMENDMENT NO. 13 OFFERED BY MR. KENNEDY OF MASSACHUSETTS

Mr. KENNEDY of Massachusetts. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 13 offered by Mr. KENNEDY of Massachusetts:

Page 220, strike line 12 and all that follows through line 12 on page 237 (and redesignate subsequent provisions and any references to such provisions, and conform the table of contents, accordingly).

Mr. LAZIO of New York. Mr. Chairman, I understand in speaking to the gentleman from Massachusetts that there is a proposed agreement to limit time to 20 minutes, 10 minutes controlled by the gentleman from Massachusetts [Mr. KENNEDY], 10 minutes controlled by myself. If that is acceptable to the gentleman from Massachusetts, if I could make that unanimous-consent request.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would amend the unanimous-consent request to go 5 and 5.

Mr. LAZIO of New York. Mr. Chairman, the gentleman from Massachusetts is very generous and I accept it.

The CHAIRMAN. And that includes all amendments thereto?

Mr. KENNEDY of Massachusetts. Yes, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment deals with, I think, one of the most devious and unfortunate elements in this bill, and, that is, the block granting of the entire title IV.

H.R. 2, title IV, is simply a gigantic, untested block grant scheme. It will increase political influence over public housing authorities, increase HUD's cost and personnel, remove vital tenant protections, and create duplication of services that is simply unworkable.

Quite simply, title IV permits local jurisdictions, most likely cities, to apply for the same public housing and section 8 assistance that is currently going to local public housing authorities. My amendment would simply eliminate the block grant scheme.

First and foremost, I am concerned about the undue political influence. The worst public housing authorities are those that are controlled by local political influences. Why then would we try to increase such local political influences by giving the money directly to politicians?

It expands HUD costs and personnel. At a time when the Republicans repeatedly criticize HUD, why do they want to increase the burden of HUD staff to create additional costs by requiring HUD to sift through potentially thousands and thousands of block grant proposals to evaluate who would do the best job at the local level?

It removes tenant protections. Title IV removes vital Brooke protections and income targeting protections altogether.

And it is redundant with the public housing authorities locally. We have heard a great deal of rhetoric about providing funding back to the local folks. That is fine. I am not sure that that means we hand it to the local cities themselves. We want to make sure that the public housing goes to people that have housing knowledge and housing as their priority.

First, it is unclear why we should allow redundant, separate local jurisdictions to compete with each other for the administration of Federal housing assistance. We already have procedures to take over the administration of badly run or badly managed public housing authorities.

Title IV as proposed under the bill is opposed by several organizations, including the National Association of Housing and Rural Development Agencies, NAHRO; the Council of Large Public Housing Authorities; and the Public Housing Authorities Directors Association. All are uniquely and uniformly opposed to this.

The Council of Large Public Housing Authorities says:

Title IV ignores the well-documented history of public housing: excessive direct involvement of local elected officials in the operations has frequently resulted in patronage employment, corrupt contracting practices

and troubled PHA's. One need look no further than out your window for a prime example, the District of Columbia Housing Authority, which is now being revived under an able receiver after years of costly decline.

According to the Public Housing Authorities Directors Association, PHADA believes, quote, that the home rule plan is ill-advised because it could very well detract scant housing funds from their intended purpose. Indeed, in the few instances where the locality has had a significant amount of control over the local housing authority's operation, Washington D.C. and New Orleans, for example, disastrous results have occurred.

And NAHRO also supports this amendment which deletes title IV of the bill. It says, quote, as we have expressed to Chairman LAZIO, NAHRO supports what we believe to be the desire to foster local innovation and greater working relationships between housing authorities and local governments. However, we believe the provision, as currently drafted, is not the proper vehicle to accomplish that purpose.

The NAHRO chapter in my own home State of Massachusetts noted, ''The home rule block grant program potentially could mean the end of low-income public housing, with our own local officials dealing the death blow. This is a very bad idea.''

Mr. Chairman, I reserve the balance of my time.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 1½ minutes.

Title IV of this bill would provide maximum flexibility for new ideas, new innovation. It does not preclude the housing authorities from participating in the new idea. It simply says that a municipal leader, a mayor, would be able to come forward and suggest a plan to HUD with certain protections that are built into the bill, including protecting the same amount of low-income people in terms of housing that would be true if we did not choose this option.

What we are trying to do is to allow the creative inspiration of people at the municipal level to put forward plans subject to the approval of the Federal Government, the Department of Housing and Urban Development. There are protections that are built into this plan. For example, rent-setting protections are built into this plan serving the same amount of low income people; that is built into the plan. But we are trying to develop a system in which local leaders like mayors are more inclined to invest their own resources in economic development and housing for low-income people.

Right now we have had mayors testify before the committee that they are not inclined to invest their own dollars into their own cities because they feel removed from the decisionmaking, because they feel they have no valid input. But if they were included in it, if they were allowed to participate, they would bring the full panoply of resources at the disposal of municipalities in a creative way, in an integrated way, to help deal with the root causes of poverty and to address the housing concerns of that individual or that particular community.

Mr. Chairman, I reserve the balance of my time.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I include for the RECORD the following letter from the National League of Cities. The National League of Cities supports this amendment.

NATIONAL LEAGUE OF CITIES,
1301 PENNSYLVANIA AVENUE NW.,
*Washington, DC, May 1, 1997.*

Hon. JOSEPH KENNEDY,
*House of Representatives, Washington, DC.*

DEAR REPRESENTATIVE KENNEDY: The National League of Cities (NLC) urges you to vote no on H.R. 2, the ''Housing Opportunity and Responsibility Act of 1997,'' and to support a superior substitute bill which will be offered by Joseph P. Kennedy, II during floor debate in the House this week. We are especially opposed to the proposed repeal of the ''United States Housing Act of 1937'' and the proposal to give the Administration authority to impose sanctions on cities and towns.

H.R. 2 would repeal the ''United States Housing Act of 1937'' which has provided the underpinning for the Department of Housing and Urban Development's basic purpose for more than 60 years. The Act set a national goal to provide every American with safe, sanitary, affordable housing. In NLC's National Municipal Policy, our housing goal is to ''provide for every American a decent home in a suitable living environment with adequate financial stability to maintain it.'' We believe that abandoning this basic goal would be a disservice to every American who is struggling to provide adequately for his or her family. Housing is essential if families are to be safe and if those responsible for food and shelter are to seek and find permanent employment.

The bill would also propose new sanctions on cities and towns over the condition of a municipality's public housing authority. This implies there is a cause and effect when, in fact, the federal government and some state governments have far greater and more effective control over public housing authorities than mayors and city councils. In most cities and towns, the local government may have the authority to appoint members to the PHA board when a vacancy occurs. This is the extent of local control.

We oppose the inclusion of the Community Development Block Grant sanction on cities included in H.R. 2. This sanction would be imposed by the Secretary of HUD by withholding or redirecting a city's CDBG funding for an indefinite period of time. This sanction would go into effect if the Secretary determines that a PHA has become troubled due to the action or inaction of local government.

NLC has fought this provision since it first appeared in last year's public housing reform bill, H.R. 2406. It is ill-conceived and unnecessarily punitive. NLC has recommended that any public housing reform bill include incentives to encourage cooperation between cities and public housing authorities (PHAs). It would be much more appropriate to recommend positive remedial actions long before imposing sanctions. Also, sponsors of this provision can only sight four cities that have ''substantially'' contributed to the troubled status of their PHAs. They are Chicago, New Orleans, Detroit, and Camden, N.J. It is extreme to threaten to sanction the other 3,395 local governments with PHAs in their communities.

Let me thank you in advance for your support of constructive reform of public housing, an essential national housing resource.

Sincerely,

MARK SCHWARTZ,
*President.*

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield the balance of my time to the gentleman from Texas [Mr. GONZALEZ], the former chairman of the full committee.

The CHAIRMAN. The gentleman from Texas is recognized for 30 seconds.

Mr. GONZALEZ. Mr. Chairman, I rise very strongly to support the Kennedy amendment. I find this home rule flexible block grant program just simply outrageous and it must be struck from the bill.

I can recall the horrendous times when there were no such things as housing assistance programs. I recall vividly families in the most distressed areas of our area in and around my hometown that I would visit as I had worked as a chief two-and-out probation officer for a while and would find these hovels with dirt floors and no privy or anything. Those were horrendous times. The way we are going, we are going right back to them.

Mr. LAZIO of New York. Mr. Chairman, I yield 2½ minutes to the gentleman from Nebraska [Mr. BEREUTER], a distinguished member of the Subcommittee on Housing and Community Opportunity of the Committee on Banking and Financial Services.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. I thank the gentleman for yielding me this time.

Mr. Chairman, I think we have to go back and remember what the situation is. In some parts of the country, the public housing agencies and programs they run for the working poor, for the poor, for less privileged Americans, are an absolute disgrace. We are trying to provide some innovation here, some flexibility so that innovation can come forth. What is being proposed to be struck here is the home rule flexibility grant option.

Let us take a look briefly at what we are attempting to do here. We are trying to encourage innovation in housing programs at the local level. We are trying to give localities the ability to present to HUD an alternative plan to provide housing for the community. This is where we have the troubled housing authorities that have failed.

Currently there is very little incentive for local leaders to attempt to solve some of the problems in local housing. In some cases they have no option. The public housing authority operates as a very separate entity. There are also no incentives really for local leaders to contribute scarce resources where needed.

Title IV tells local leaders if they are serious about making contributions to solving some of the problems of housing in their communities, then they are going to be given the flexibility to

do that. Everything, however, requires HUD approval, ensuring a responsible Federal oversight role in the process, despite what we might have heard a few minutes ago.

In an attempt to accommodate and to take into account some of the concerns raised in the committee or at subcommittee discussions earlier, there are a number of protections in the manager's amendment that has been adopted.

For example, we require that the Secretary ensure that the jurisdiction has management capability to carry out the plan they propose. Second, the plan does not lead to excessive duplication of administrative efforts. Third, the plan demonstrates the functions and the activities of the local PHA.

Next, it ensures housing funds are specifically used for housing purposes by requiring a separate housing fund, so these funds cannot be diverted for other purposes, to suit the mayor's attention.

It provides an opportunity for the PHA to comment upon the alternative plan. They are not shut out of the process. It provides flexibility to the HUD Secretary to establish different requirements for troubled housing authorities. It requires jurisdictional consent when there are other cross-jurisdictional concerns. And it clarifies that this title, title IV, does not require a city government takeover or legal status change of the PHA.

The flexibility is there, the protections are there to the American taxpayer, to the people in the community who are not being served well now by these troubled housing authorities. This is a basic and important reform. We need to keep title IV in and reject the amendment.

□ 1745

Mr. KENNEDY of Massachusetts. Mr. Chairman, I ask unanimous consent, if we might, to allow the gentleman from Texas [Mr. GONZALEZ], the former chairman, the ranking member, 2 additional minutes to complete his statement.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The gentleman from Texas [Mr. GONZALEZ] is recognized for 2 additional minutes.

Mr. GONZALEZ. Mr. Chairman, I thank the gentleman from Massachusetts very much because this goes to the very essence of my presence in the United States House of Representatives.

I came from my hometown with a housing background and can recall vividly, and I am old enough to, the outrageous situation that was costing lives and the city, my home city, the dubious distinction of the tuberculosis capital of the country. We are fast pulling the clock back if we continue.

Mr. Chairman, there are no guarantees that the current public housing inventory will have to be maintained under this because there are no guarantees that the public housing authorities will receive funding from the city. This is not only outrageous, it is inviting the disinvestment in $90 billion of Federal investment, and of course it is duplicative.

Indeed, the cities may choose to start up a new quote, unquote, public housing program and let the current housing inventory deteriorate. But the reason we came to the Federal level is that the cities and the States and the counties would not do anything. That has been the history of all of our social legislation.

I know that there is a provision which protects the public housing authorities from disillusion, disillusion, but there are no similar protections that they will be given the money to operate with. It is somewhat ironic that with this block grant we could be taking money from the public housing authorities that this legislation purports to support. After all, the goal of this legislation is to provide housing authorities with the flexibility they need to operate and to untie their hands from unnecessary rules, regulations and requirements.

Mr. LAZIO of New York. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from New York is recognized for 1 minute.

Mr. LAZIO of New York. Mr. Chairman, let me just say I think, to paraphrase a 20th century President, we have nothing to fear but fear itself on this, and what we want to do is create the sense of ideas of innovation. We should not be afraid of new ideas, we should not be afraid of allowing a local elected leader to come forward and say I think I have a better way of doing it, I think we can develop a better partnership, I think that maybe in our community, in our community, that the fixed way of having a public housing authority may not be necessarily the best way. We may want to have a joint venture with the public housing authority, we may want to have not-for-profits work along with them or community development corporations or resident-inspired groups.

The idea behind this provision of the bill would be subject to the provisions of protection that are already in the bill to provide the level of creativity, innovation, and this amendment would strike that, and for those reasons, Mr. Chairman, I would urge a ''no'' vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 133, further proceedings on the amendment offered by the gentleman from Massachusetts [Mr. KENNEDY] will be postponed.

VACATING VOTE ON AMENDMENT NO. 18 OFFERED BY MR. NADLER

Mr. LAZIO of New York. Mr. Chairman, I ask unanimous consent to vacate the vote with regard to amendment No. 18 offered by the gentleman from New York [Mr. NADLER] and that the Chair restate the question.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. NADLER].

The amendment was rejected.

The CHAIRMAN. Are there further amendments to title IV?

The Clerk will designate title V.

The text of title V is as follows:

**TITLE V—ACCOUNTABILITY AND OVERSIGHT OF PUBLIC HOUSING AGENCIES**

**Subtitle A—Study of Alternative Methods for Evaluating Public Housing Agencies**

**SEC. 501. IN GENERAL.**

The Secretary of Housing and Urban Development shall provide under section 505 for a study to be conducted to determine the effectiveness of various alternative methods of evaluating the performance of public housing agencies and other providers of federally assisted housing.

**SEC. 502. PURPOSES.**

The purposes of the study under this subtitle shall be—

(1) to identify and examine various methods of evaluating and improving the performance of public housing agencies in administering public housing and tenant-based rental assistance programs and of other providers of federally assisted housing, which are alternatives to oversight by the Department of Housing and Urban Development; and

(2) to identify specific monitoring and oversight activities currently conducted by the Department of Housing and Urban Development that are insufficient or ineffective in accurately and efficiently assessing the performance of public housing agencies and other providers of federally assisted housing, and to evaluate whether such activities should be eliminated, modified, or transferred to other entities (including government and private entities) to increase accuracy and effectiveness and improve monitoring.

**SEC. 503. EVALUATION OF VARIOUS PERFORMANCE EVALUATION SYSTEMS.**

To carry out the purpose under section 502(1), the study under this subtitle shall identify, and analyze and assess the costs and benefits of, the following methods of regulating and evaluating the performance of public housing agencies and other providers of federally assisted housing:

(1) CURRENT SYSTEM.—The system pursuant to the United States Housing Act of 1937 (as in effect upon the enactment of this Act), including the methods and requirements under such system for reporting, auditing, reviewing, sanctioning, and monitoring of such agencies and housing providers and the public housing management assessment program pursuant to subtitle C of this title (and section 6(j) of the United States Housing Act of 1937 (as in effect upon the enactment of this Act)).

(2) ACCREDITATION MODELS.—Various models that are based upon accreditation of such agencies and housing providers, subject to the following requirements:

(A) The study shall identify and analyze various models used in other industries and professions for accreditation and determine the extent of their applicability to the programs for public housing and federally assisted housing.

(B) If any accreditation models are determined to be applicable to the public and federally assisted housing programs, the study shall identify appropriate goals, objectives, and procedures for an accreditation program for such agencies housing providers.

(C) The study shall evaluate the effectiveness of establishing an independent accreditation and evaluation entity to assist, supplement, or replace the role of the Department of Housing and Urban Development in assessing and monitoring the performance of such agencies and housing providers.

(D) The study shall identify the necessary and appropriate roles and responsibilities of various entities that would be involved in an accreditation program, including the Department of Housing and Urban Development, the Inspector General of the Department, an accreditation entity, independent auditors and examiners, local entities, and public housing agencies.

(E) The study shall determine the costs involved in developing and maintaining such an independent accreditation program.

(F) The study shall analyze the need for technical assistance to assist public housing agencies in improving performance and identify the most effective methods to provide such assistance.

(3) PERFORMANCE BASED MODELS.—Various performance-based models, including systems that establish performance goals or targets, assess the compliance with such goals or targets, and provide for incentives or sanctions based on performance relative to such goals or targets.

(4) LOCAL REVIEW AND MONITORING MODELS.—Various models providing for local, resident, and community review and monitoring of such agencies and housing providers, including systems for review and monitoring by local and State governmental bodies and agencies.

(5) PRIVATE MODELS.—Various models using private contractors for review and monitoring of such agencies and housing providers.

(6) OTHER MODELS.—Various models of any other systems that may be more effective and efficient in regulating and evaluating such agencies and housing providers.

**SEC. 504. CONSULTATION.**

The entity that, pursuant to section 505, carries out the study under this subtitle shall, in carrying out the study, consult with individuals and organization experienced in managing public housing, private real estate managers, representatives from State and local governments, residents of public housing, families and individuals receiving choice- or tenant-based assistance, the Secretary of Housing and Urban Development, the Inspector General of the Department of Housing and Urban Development, and the Comptroller General of the United States.

**SEC. 505. CONTRACT TO CONDUCT STUDY.**

(a) IN GENERAL.—Subject to subsection (b), the Secretary shall enter into a contract with a public or nonprofit private entity to conduct the study under this subtitle, using amounts made available pursuant to section 507.

(b) NATIONAL ACADEMY OF PUBLIC ADMINISTRATION.—The Secretary shall request the National Academy of Public Administration to enter into the contract under paragraph (1) to conduct the study under this subtitle. If such Academy declines to conduct the study, the Secretary shall carry out such paragraph through other public or nonprofit private entities.

**SEC. 506. REPORT.**

(a) INTERIM REPORT.—The Secretary shall ensure that not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, the entity conducting the study under this subtitle submits to the Congress an interim report describing the actions taken to carry out the study, the actions to be taken to complete the study, and any findings and recommendations available at the time.

(b) FINAL REPORT.—The Secretary shall ensure that—

(1) not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the study required under this subtitle is completed and a report describing the findings and recommendations as a result of the study is submitted to the Congress; and

(2) before submitting the report under this subsection to the Congress, the report is submitted to the Secretary and national organizations for public housing agencies at such time to provide the Secretary and such agencies an opportunity to review the report and provide written comments on the report, which shall be included together with the report upon submission to the Congress under paragraph (1).

**SEC. 507. FUNDING.**

Of any amounts made available under title V of the Housing and Urban Development Act of 1970 for policy development and research for fiscal year 1998, $500,000 shall be available to carry out this subtitle.

**SEC. 508. EFFECTIVE DATE.**

This subtitle shall take effect on the date of the enactment of this Act.

**Subtitle B—Housing Evaluation and Accreditation Board**

**SEC. 521. ESTABLISHMENT.**

(a) IN GENERAL.—There is established an independent agency in the executive branch of the Government to be known as the Housing Foundation and Accreditation Board (in this title referred to as the ''Board'').

(b) REQUIREMENT FOR CONGRESSIONAL REVIEW OF STUDY.—Notwithstanding any other provision of this Act, sections 523, 524, and 525 shall not take effect and the Board shall not have any authority to take any action under such sections (or otherwise) unless there is enacted a law specifically providing for the repeal of this subsection. This subsection may not be construed to prevent the appointment of the Board under section 522.

(c) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

**SEC. 522. MEMBERSHIP.**

(a) IN GENERAL.—The Board shall be composed of 12 members appointed by the President not later than 180 days after the date of the final report regarding the study required under subtitle A is submitted to the Congress pursuant to section 506(b), as follows:

(1) 4 members shall be appointed from among 10 individuals recommended by the Secretary of Housing and Urban Development.

(2) 4 members shall be appointed from among 10 individuals recommended by the Chairman and Ranking Minority Member of the Committee on Banking, Housing, and Urban Affairs of the Senate.

(3) 4 members appointed from among 10 individuals recommended by the Chairman and Ranking Minority Member of the Committee on Banking and Financial Services of the House of Representatives.

(b) QUALIFICATIONS.—

(1) REQUIRED REPRESENTATION.—The Board shall at all times have the following members:

(A) 2 members who are residents of public housing or dwelling units assisted under title III of this Act or the provisions of section 8 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 601(b) of this Act).

(B) At least 2, but not more than 4 members who are executive directors of public housing agencies.

(C) 1 member who is a member of the Institute of Real Estate Managers.

(D) 1 member who is the owner of a multifamily housing project assisted under a program administered by the Secretary of Housing and Urban Development.

(2) REQUIRED EXPERIENCE.—The Board shall at all times have as members individuals with the following experience:

(A) At least 1 individual who has extensive experience in the residential real estate finance business.

(B) At least 1 individual who has extensive experience in operating a nonprofit organization that provides affordable housing.

(C) At least 1 individual who has extensive experience in construction of multifamily housing.

(D) At least 1 individual who has extensive experience in the management of a community development corporation.

(E) At least 1 individual who has extensive experience in auditing participants in government programs.

A single member of the board with the appropriate experience may satisfy the requirements of more than 1 subparagraph of this paragraph. A single member of the board with the appropriate qualifications and experience may satisfy the requirements of a subparagraph of paragraph (1) and a subparagraph of this paragraph.

(c) POLITICAL AFFILIATION.—Not more than 6 members of the Board may be of the same political party.

(d) TERMS.—

(1) IN GENERAL.—Each member of the Board shall be appointed for a term of 4 years, except as provided in paragraphs (2) and (3).

(2) TERMS OF INITIAL APPOINTEES.—As designated by the President at the time of appointment, of the members first appointed—

(A) 3 shall be appointed for terms of 1 year;

(B) 3 shall be appointed for terms of 2 years;

(C) 3 shall be appointed for terms of 3 years; and

(D) 3 shall be appointed for terms of 4 years.

(3) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made.

(e) CHAIRPERSON.—The Board shall elect a chairperson from among members of the Board.

(f) QUORUM.—A majority of the members of the Board shall constitute a quorum for the transaction of business.

(g) VOTING.—Each member of the Board shall be entitled to 1 vote, which shall be equal to the vote of every other member of the Board.

(h) PROHIBITION ON ADDITIONAL PAY.—Members of the Board shall serve without compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Board.

**SEC. 523. FUNCTIONS.**

The purpose of this subtitle is to establish the Board as a nonpolitical entity to carry out, not later than the expiration of the 12-month period beginning upon the appointment under section 522 of all of the initial

members of the Board (or such other date as may be provided by law), the following functions:

(1) ESTABLISHMENT OF PERFORMANCE BENCHMARKS.—The Board shall establish standards and guidelines for use by the Board in measuring the performance and efficiency of public housing agencies and other owners and providers of federally assisted housing in carrying out operational and financial functions. The standards and guidelines shall be designed to replace the public housing management assessment program under section 6(j) of the United States Housing Act of 1937 (as in effect before the enactment of this Act) and improve the evaluation of the performance of housing providers relative to such program. In establishing such standards and guidelines, the Board shall consult with the Secretary, the Inspector General of the Department of Housing and Urban Development, and such other persons and entities as the Board considers appropriate.

(2) ESTABLISHMENT OF ACCREDITATION PROCEDURE AND ACCREDITATION.—The Board shall—

(A) establish a procedure for the Board to accredit public housing agencies to receive block grants under title II for the operation, maintenance, and production of public housing and amounts for housing assistance under title III, based on the performance of agencies, as measured by the performance benchmarks established under paragraph (1) and any audits and reviews of agencies; and

(B) commence the review and accreditation of public housing agencies under the procedures established under subparagraph (A).

In carrying out the functions under this section, the Board shall take into consideration the findings and recommendations contained in the report issued under section 506(b).

**SEC. 524. POWERS.**

(a) HEARINGS.—The Board may, for the purpose of carrying out this subtitle, hold such hearings and sit and act at such times and places as the Board determines appropriate.

(b) RULES AND REGULATIONS.—The Board may adopt such rules and regulations as may be necessary to establish its procedures and to govern the manner of its operations, organization, and personnel.

(c) ASSISTANCE FROM FEDERAL AGENCIES.—

(1) INFORMATION.—The Board may secure directly from any department or agency of the Federal Government such information as the Board may require for carrying out its functions, including public housing agency plans submitted to the Secretary by public housing agencies under title I. Upon request of the Board, any such department or agency shall furnish such information.

(2) GENERAL SERVICES ADMINISTRATION.—The Administrator of General Services shall provide to the Board, on a reimbursable basis, such administrative support services as the Board may request.

(3) DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.—Upon the request of the chairperson of the Board, the Secretary of Housing and Urban Development shall, to the extent possible and subject to the discretion of the Secretary, detail any of the personnel of the Department of Housing and Urban Development, on a nonreimbursable basis, to assist the Board in carrying out its functions under this subtitle.

(4) HUD INSPECTOR GENERAL.—The Inspector General of the Department of Housing and Urban Development shall serve the Board as a principal adviser with respect to all aspects of audits of public housing agencies. The Inspector General may advise the Board with respect to other activities and functions of the Board.

(d) MAILS.—The Board may use the United States mails in the same manner and under the same conditions as other Federal agencies.

(e) CONTRACTING.—The Board may, to such extent and in such amounts as are provided in appropriation Acts, enter into contracts with private firms, institutions, and individuals for the purpose of conducting evaluations of public housing agencies, audits of public housing agencies, and research and surveys necessary to enable the Board to discharge its functions under this subtitle.

(f) STAFF.—

(1) EXECUTIVE DIRECTOR.—The Board shall appoint an executive director of the Board, who shall be compensated at a rate fixed by the Board, but which shall not exceed the rate established for level V of the Executive Schedule under title 5, United States Code.

(2) OTHER PERSONNEL.—In addition to the executive director, the Board may appoint and fix the compensation of such personnel as the Board considers necessary, in accordance with the provisions of title 5, United States Code, governing appointments to the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(g) ACCESS TO DOCUMENTS.—The Board shall have access for the purposes of carrying out its functions under this subtitle to any books, documents, papers, and records of a public housing agency to which the Secretary has access under this Act.

**SEC. 525. FEES.**

(a) ACCREDITATION FEES.—The Board may establish and charge reasonable fees for the accreditation of public housing agencies as the Board considers necessary to cover the costs of the operations of the Board relating to its functions under section 523.

(b) FUND.—Any fees collected under this section shall be deposited in an operations fund for the Board, which is hereby established in the Treasury of the United States. Amounts in such fund shall be available, to the extent provided in appropriation Acts, for the expenses of the Board in carrying out its functions under this subtitle.

**SEC. 526. GAO AUDIT.**

The activities and transactions of the Board shall be subject to audit by the Comptroller General of the United States under such rules and regulations as may be prescribed by the Comptroller General. The representatives of the General Accounting Office shall have access for the purpose of audit and examination to any books, documents, papers, and records of the Board that are necessary to facilitate an audit.

**Subtitle C—Interim Applicability of Public Housing Management Assessment Program**

**SEC. 531. INTERIM APPLICABILITY.**

This subtitle shall be effective only during the period that begins on the effective date of this Act and ends upon the date of the effectiveness of the standards and procedures required under section 523.

**SEC. 532. MANAGEMENT ASSESSMENT INDICATORS.**

(a) ESTABLISHMENT.—The Secretary shall develop and publish in the Federal Register indicators to assess the management performance of public housing agencies and other entities managing public housing (including resident management corporations, independent managers pursuant to section 236, and management entities pursuant to subtitle D). The indicators shall be established by rule under section 553 of title 5, United States Code. Such indicators shall enable the Secretary to evaluate the performance of public housing agencies and such other managers of public housing in all major areas of management operations.

(b) CONTENT.—The management assessment indicators shall include the following indicators:

(1) The number and percentage of vacancies within an agency's or manager's inventory, including the progress that an agency or manager has made within the previous 3 years to reduce such vacancies.

(2) The amount and percentage of funds obligated to the public housing agency or manager from the capital fund or under section 14 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 601(b) of this Act), which remain unexpended after 3 years.

(3) The percentage of rents uncollected.

(4) The energy consumption (with appropriate adjustments to reflect different regions and unit sizes).

(5) The average period of time that an agency or manager requires to repair and turn-around vacant dwelling units.

(6) The proportion of maintenance work orders outstanding, including any progress that an agency or manager has made during the preceding 3 years to reduce the period of time required to complete maintenance work orders.

(7) The percentage of dwelling units that an agency or manager fails to inspect to ascertain maintenance or modernization needs within such period of time as the Secretary deems appropriate (with appropriate adjustments, if any, for large and small agencies or managers).

(8) The extent to which the rent policies of any public housing agency establishing rental amounts in accordance with section 225(b) comply with the requirement under section 225(c).

(9) Whether the agency is providing acceptable basic housing conditions, as determined by the Secretary.

(10) Any other factors as the Secretary deems appropriate.

(c) CONSIDERATIONS IN EVALUATION.—The Secretary shall—

(1) administer the system of evaluating public housing agencies and managers flexibly to ensure that agencies and managers are not penalized as result of circumstances beyond their control;

(2) reflect in the weights assigned to the various management assessment indicators the differences in the difficulty of managing individual developments that result from their physical condition and their neighborhood environment; and

(3) determine a public housing agency's or manager's status as ''troubled with respect to modernization'' under section 533(b) based upon factors solely related to its ability to carry out modernization activities.

**SEC. 533. DESIGNATION OF PHA'S.**

(a) TROUBLED PHA'S.—The Secretary shall, under the rulemaking procedures under section 553 of title 5, United States Code, establish procedures for designating troubled public housing agencies and managers, which procedures shall include identification of serious and substantial failure to perform as measured by (1) the performance indicators specified under section 532 and such other factors as the Secretary may deem to be appropriate; or (2) such other evaluation system as is determined by the Secretary to assess the condition of the public housing agency or other entity managing public housing, which system may be in addition to or in lieu of the performance indicators established under section 532. Such procedures shall provide that an agency that does not provide acceptable basic housing conditions shall be designated a troubled public housing agency.

(b) AGENCIES TROUBLED WITH RESPECT TO CAPITAL ACTIVITIES.—The Secretary shall designate, by rule under section 553 of title 5, United States Code, agencies and managers that are troubled with respect to capital activities.

(c) AGENCIES AT RISK OF BECOMING TROUBLED.—The Secretary shall designate, by rule under section 553 of title 5, United States Code, agencies and managers that are at risk of becoming troubled.

(d) EXEMPLARY AGENCIES.—The Secretary may also, in consultation with national organizations representing public housing agencies and managers and public officials (as the Secretary determines appropriate), identify and commend public housing agencies and managers that meet the performance standards established under section 532 in an exemplary manner.

(e) APPEAL OF DESIGNATION.—The Secretary shall establish procedures for public housing agencies and managers to appeal designation as a troubled agency or manager (including designation as a troubled agency or manager for purposes of capital activities), to petition for removal of such designation, and to appeal any refusal to remove such designation.

**SEC. 534. ON-SITE INSPECTION OF TROUBLED PHA'S.**

(a) IN GENERAL.—Upon designating a public housing agency or manager as troubled pursuant to section 533 and determining that an assessment under this section will not duplicate any other review previously conducted or required to be conducted of the agency or manager, the Secretary shall provide for an on-site, independent assessment of the management of the agency or manager.

(b) CONTENT.—To the extent the Secretary deems appropriate (taking into consideration an agency's or manager's performance under the indicators specified under section 532, the assessment team shall also consider issues relating to the agency's or manager's resident population and physical inventory, including the extent to which—

(1) the public housing agency plan for the agency or manager adequately and appropriately addresses the rehabilitation needs of the public housing inventory;

(2) residents of the agency or manager are involved in and informed of significant management decisions; and

(3) any developments in the agency's or manager's inventory are severely distressed (as such term is defined under section 262.

(c) INDEPENDENT ASSESSMENT TEAM.—An independent assessment under this section shall be carried out by a team of knowledgeable individuals selected by the Secretary (referred to in this title as the ''assessment team'') with expertise in public housing and real estate management. In conducting an assessment, the assessment team shall consult with the residents and with public and private entities in the jurisdiction in which the public housing is located. The assessment team shall provide to the Secretary and the public housing agency or manager a written report, which shall contain, at a minimum, recommendations for such management improvements as are necessary to eliminate or substantially remedy existing deficiencies.

**SEC. 535. ADMINISTRATION.**

(a) PHA'S.—The Secretary shall carry out this subtitle with respect to public housing agencies substantially in the same manner as the public housing management assessment system under section 6(j) of the United States Housing Act of 1937 (as in effect immediately before the effective date of the repeal under section 601(b) of this Act) was required to be carried out with respect to public housing agencies. The Secretary may comply with the requirements under this subtitle by using any regulations issued to carry out such system and issuing any additional regulations necessary to make such system comply with the requirements under this subtitle.

(b) OTHER MANAGERS.—The Secretary shall establish specific standards and procedures for carrying out this subtitle with respect to managers of public housing that are not public housing agencies. Such standards and procedures shall take in consideration special circumstances relating to entities hired, directed, or appointed to manage public housing.

**Subtitle D—Accountability and Oversight Standards and Procedures**

**SEC. 541. AUDITS.**

(a) BY SECRETARY AND COMPTROLLER GENERAL.—Each block grant contract under section 201 and each contract for housing assistance amounts under section 302 shall provide that the Secretary, the Inspector General of the Department of Housing and Urban Development, and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access to any books, documents, papers, and records of the public housing agency (or other entity) entering into such contract that are pertinent to this Act and to its operations with respect to financial assistance under the this Act.

(b) BY PHA.—

(1) REQUIREMENT.—Each public housing agency that owns or operates 250 or more public housing dwelling units and receives assistance under this Act shall have an audit made in accordance with chapter 75 of title 31, United States Code. The Secretary, the Inspector General of the Department of Housing and Urban Development, and the Comptroller General of the United States shall have access to all books, documents, papers, or other records that are pertinent to the activities carried out under this Act in order to make audit examinations, excerpts, and transcripts.

(2) WITHHOLDING OF AMOUNTS.—The Secretary may, in the sole discretion of the Secretary, arrange for, and pay the costs of, an audit required under paragraph (1). In such circumstances, the Secretary may withhold, from assistance otherwise payable to the agency under this Act, amounts sufficient to pay for the reasonable costs of conducting an acceptable audit, including, when appropriate, the reasonable costs of accounting services necessary to place the agency's books and records in auditable condition.

**SEC. 542. PERFORMANCE AGREEMENTS FOR AUTHORITIES AT RISK OF BECOMING TROUBLED.**

(a) IN GENERAL.—Upon designation of a public housing agency as at risk of becoming troubled under section 533(c), the Secretary shall seek to enter into an agreement with the agency providing for improvement of the elements of the agency that have been identified. An agreement under this section shall contain such terms and conditions as the Secretary determines are appropriate for addressing the elements identified, which may include an on-site, independent assessment of the management of the agency.

(b) POWERS OF SECRETARY.—If the Secretary determines that such action is necessary to prevent the public housing agency from becoming a troubled agency, the Secretary may—

(1) solicit competitive proposals from other public housing agencies and private housing management agents (which may be selected by existing tenants through administrative procedures established by the Secretary), for any case in which such agents may be needed for managing all, or part, of the housing or functions administered by the agency; or

(2) solicit competitive proposals from other public housing agencies and private entities with experience in construction management, for any case in which such authorities or firms may be needed to oversee implementation of assistance made available for capital improvement for public housing of the agency.

**SEC. 543. PERFORMANCE AGREEMENTS AND CDBG SANCTIONS FOR TROUBLED PHA'S.**

(a) IN GENERAL.—Upon designation of a public housing agency as a troubled agency under section 533(a) and after reviewing the report submitted pursuant to section 534(c) and consulting with the assessment team for the agency under section 534, the Secretary shall seek to enter into an agreement with the agency providing for improving the management performance of the agency.

(b) CONTENTS.—An agreement under this section between the Secretary and a public housing agency shall set forth—

(1) targets for improving performance, as measured by the guidelines and standards established under section 532 and other requirements within a specified period of time, which shall include targets to be met upon the expiration of the 12-month period beginning upon entering into the agreement;

(2) strategies for meeting such targets;

(3) sanctions for failure to implement such strategies; and

(4) to the extent the Secretary deems appropriate, a plan for enhancing resident involvement in the management of the public housing agency.

(c) LOCAL ASSISTANCE IN IMPLEMENTATION.—The Secretary and the public housing agency shall, to the maximum extent practicable, seek the assistance of local public and private entities in carrying out an agreement under this section.

(d) DEFAULT UNDER PERFORMANCE AGREEMENT.—Upon the expiration of the 12-month period beginning upon entering into an agreement under this section with a public housing agency, the Secretary shall review the performance of the agency in relation to the performance targets and strategies under the agreement. If the Secretary determines that the agency has failed to comply with the performance targets established for such period, the Secretary shall take the action authorized under subsection (b)(2) or (b)(5) of section 545.

(e) CDBG SANCTION AGAINST LOCAL GOVERNMENT CONTRIBUTING TO TROUBLED STATUS OF PHA.—If the Secretary determines that the actions or inaction of any unit of general local government within which any portion of the jurisdiction of a public housing agency is located has substantially contributed to the conditions resulting in the agency being designated under section 533(a) as a troubled agency, the Secretary may redirect or withhold, from such unit of general local government any amounts allocated for such unit under section 106 of the Housing and Community Development Act of 1974.

**SEC. 544. OPTION TO DEMAND CONVEYANCE OF TITLE TO OR POSSESSION OF PUBLIC HOUSING.**

(a) AUTHORITY FOR CONVEYANCE.—A contract under section 201 for block grants under title II (including contracts which amend or supersede contracts previously made (including contracts for contributions)) may provide that upon the occurrence of a substantial default with respect to the covenants or conditions to which the public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated, at the option of the Secretary, to—

(1) convey title in any case where, in the determination of the Secretary (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this Act; or

(2) deliver to the Secretary possession of the development, as then constituted, to which such contract relates.

(b) OBLIGATION TO RECONVEY.—Any block grant contract under title II containing the provisions authorized in subsection (a) shall also provide that the Secretary shall be obligated to reconvey or redeliver possession of the development, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such contract, and as soon as practicable after—

(1) the Secretary is satisfied that all defaults with respect to the development have been cured, and that the development will, in order to fulfill the purposes of this Act, thereafter be operated in accordance with the terms of such contract; or

(2) the termination of the obligation to make annual block grants to the agency, unless there are any obligations or covenants of the agency to the Secretary which are then in default.

Any prior conveyances and reconveyances or deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the development to the Secretary pursuant to subsection (a) upon the subsequent occurrence of a substantial default.

(c) CONTINUED GRANTS FOR REPAYMENT OF BONDS AND NOTES UNDER 1937 ACT.—If—

(1) a contract for block grants under title II for an agency includes provisions that expressly state that the provisions are included pursuant to this subsection, and

(2) the portion of the block grant payable for debt service requirements pursuant to the contract has been pledged by the public housing agency as security for the payment of the principal and interest on any of its obligations, then—

(A) the Secretary shall (notwithstanding any other provisions of this Act), continue to make the block grant payments for the agency so long as any of such obligations remain outstanding; and

(B) the Secretary may covenant in such a contract that in any event such block grant amounts shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the development for the purpose at the time such block grant payments are made, will suffice for the payment of all installments of principal and interest on the obligations for which the amounts provided for in the contract shall have been pledged as security that fall due within the next succeeding 12 months.

In no case shall such block grant amounts be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract.

**SEC. 545. REMOVAL OF INEFFECTIVE PHA'S.**

(a) CONDITIONS OF REMOVAL.—The actions specified in subsection (b) may be taken only upon—

(1) the occurrence of events or conditions that constitute a substantial default by a public housing agency with respect to (A) the covenants or conditions to which the public housing agency is subject, or (B) an agreement entered into under section 543; or

(2) submission to the Secretary of a petition by the residents of the public housing owned or operated by a public housing agency that is designated as troubled pursuant to section 533(a).

(b) REMOVAL ACTIONS.—Notwithstanding any other provision of law or of any block grant contract under title II or any grant agreement under title III, in accordance with subsection (a), the Secretary may—

(1) solicit competitive proposals from other public housing agencies and private housing management agents (which, in the discretion of the Secretary, may be selected by existing public housing residents through administrative procedures established by the Secretary) and, if appropriate, provide for such agents to manage all, or part, of the housing administered by the public housing agency or all or part of the other functions of the agency;

(2) take possession of the public housing agency, including any developments or functions of the agency under any section of this Act;

(3) solicit competitive proposals from other public housing agencies and private entities with experience in construction management and, if appropriate, provide for such authorities or firms to oversee implementation of assistance made available for capital improvements for public housing;

(4) require the agency to make other arrangements acceptable to the Secretary and in the best interests of the public housing residents and assisted families under title III for managing all, or part of, the public housing administered by the agency or the functions of the agency; or

(5) petition for the appointment of a receiver for the public housing agency to any district court of the United States or to any court of the State in which any portion of the jurisdiction of the public housing agency is located, that is authorized to appoint a receiver for the purposes and having the powers prescribed in this section.

(c) EMERGENCY ASSISTANCE.—The Secretary may make available to receivers and other entities selected or appointed pursuant to this section such assistance as is fair and reasonable to remedy the substantial deterioration of living conditions in individual public housing developments or other related emergencies that endanger the health, safety and welfare of public housing residents or assisted families under title III.

(d) POWERS OF SECRETARY.—If the Secretary takes possession of an agency, or any developments or functions of an agency, pursuant to subsection (b)(2), the Secretary—

(1) may abrogate contracts that substantially impede correction of the substantial default or improvement of the classification, but only after efforts to renegotiate such contracts have failed and the Secretary has made a written determination regarding such abrogation, which shall be available to the public upon request, identify such contracts, and explain the determination that such contracts may be abrogated;

(2) may demolish and dispose of assets of the agency in accordance with section 261;

(3) where determined appropriate by the Secretary, may require the establishment of one or more new public housing agencies;

(4) may consolidate the agency into other well-managed public housing agencies with the consent of such well-managed authorities;

(5) shall not be subject to any State or local laws relating to civil service requirements, employee rights, procurement, or financial or administrative controls that, in the determination of the Secretary, substantially impede correction of the substantial default or improvement of the classification, but only if the Secretary has made a written determination regarding such inapplicability, which shall be available to the public upon request, identify such inapplicable laws, and explain the determination that such laws impede such correction; and

(6) shall have such additional authority as a district court of the United States has the authority to confer under like circumstances upon a receiver to achieve the purposes of the receivership.

The Secretary may appoint, on a competitive or noncompetitive basis, an individual or entity as an administrative receiver to assume the Secretary's responsibility under this paragraph for the administration of a public housing agency. The Secretary may delegate to the administrative receiver any or all of the powers of the Secretary under this subsection. Regardless of any delegation under this subsection, an administrative receiver may not require the establishment of one or more new public housing agencies pursuant to paragraph (3) unless the Secretary first approves such establishment. For purposes of this subsection, the term ''public housing agency'' includes any developments or functions of a public housing agency under any section of this title.

(e) RECEIVERSHIP.—

(1) REQUIRED APPOINTMENT.—In any proceeding under subsection (b)(5), upon a determination that a substantial default has occurred, and without regard to the availability of alternative remedies, the court shall appoint a receiver to conduct the affairs of the public housing agency in a manner consistent with this Act and in accordance with such further terms and conditions as the court may provide. The receiver appointed may be another public housing agency, a private management corporation, the Secretary, or any other appropriate entity. The court shall have power to grant appropriate temporary or preliminary relief pending final disposition of the petition by the Secretary.

(2) POWERS OF RECEIVER.—If a receiver is appointed for a public housing agency pursuant to subsection (b)(5), in addition to the powers accorded by the court appointing the receiver, the receiver—

(A) may abrogate contracts that substantially impede correction of the substantial default or improvement of the classification, but only after bona fide efforts to renegotiate such contracts have failed and the receiver has made a written determination regarding such abrogation, which shall be available to the public upon request, identify such contracts, and explain the determination that such contracts may be abrogated;

(B) may demolish and dispose of assets of the agency in accordance with section 261;

(C) where determined appropriate by the Secretary, may require the establishment of one or more new public housing agencies, to the extent permitted by State and local law; and

(D) except as provided in subparagraph (C), shall not be subject to any State or local laws relating to civil service requirements, employee rights, procurement, or financial or administrative controls that, in the determination of the receiver, substantially impede correction of the substantial default or improvement of the classification, but only if the receiver has made a written determination regarding such inapplicability, which shall be available to the public upon request, identify such inapplicable laws, and explain the determination that such laws impede such correction.

For purposes of this paragraph, the term ''public housing agency'' includes any developments or functions of a public housing agency under any section of this title.

(3) TERMINATION.—The appointment of a receiver pursuant to this subsection may be terminated, upon the petition of any party, when the court determines that all defaults have been cured or the public housing agency will be able to make the same amount of progress in correcting the management of the housing as the receiver.

(f) LIABILITY.—If the Secretary takes possession of an agency pursuant to subsection (b)(2) or a receiver is appointed pursuant to subsection (b)(5) for a public housing agency, the Secretary or the receiver shall be

deemed to be acting in the capacity of the public housing agency (and not in the official capacity as Secretary or other official) and any liability incurred shall be a liability of the public housing agency.

(g) EFFECTIVENESS.—The provisions of this section shall apply with respect to actions taken before, on, or after the effective date of this Act and shall apply to any receivers appointed for a public housing agency before the effective date of this Act.

**SEC. 546. MANDATORY TAKEOVER OF CHRONICALLY TROUBLED PHA'S.**

(a) REMOVAL OF AGENCY.—Notwithstanding any other provision of this Act, not later than the expiration of the 180-day period beginning on the effective date of this Act, the Secretary shall take one of the following actions with respect to each chronically troubled public housing agency:

(1) CONTRACTING FOR MANAGEMENT.—Solicit competitive proposals for the management of the agency pursuant to section 545(b)(1) and replace the management of the agency pursuant to selection of such a proposal.

(2) TAKEOVER.—Take possession of the agency pursuant to section 545(b)(2) of such Act.

(3) PETITION FOR RECEIVER.—Petition for the appointment of a receiver for the agency pursuant to section 545(b)(5).

(b) DEFINITION.—For purposes of this section, the term ''chronically troubled public housing agency'' means a public housing agency that, as of the effective date of this Act, is designated under section 6(j)(2) of the United States Housing Act of 1937 (as in effect immediately before the effective date of the repeal under section 601(b) of this Act) as a troubled public housing agency and has been so designated continuously for the 3-year period ending upon the effective date of this Act; except that such term does not include any agency that owns or operates less than 1250 public housing dwelling units and that the Secretary determines can, with a reasonable amount of effort, make such improvements or remedies as may be necessary to remove its designation as troubled within 12 months.

**SEC. 547. TREATMENT OF TROUBLED PHA'S.**

(a) EFFECT OF TROUBLED STATUS ON CHAS.—The comprehensive housing affordability strategy (or any consolidated plan incorporating such strategy) for the State or unit of general local government in which any troubled public housing agency is located shall not be considered to comply with the requirements under section 105 of the Cranston-Gonzalez National Affordable Housing Act unless such plan includes a description of the manner in which the State or unit will assist such troubled agency in improving its operations to remove such designation.

(b) DEFINITION.—For purposes of this section, the term ''troubled public housing agency'' means a public housing agency that—

(1) upon the effective date of this Act, is designated under section 6(j)(2) of the United States Housing Act of 1937 (as in effect immediately before the effective date of the repeal under section 601(b) of this Act) as a troubled public housing agency; and

(2) is not a chronically troubled public housing agency, as such term is defined in section 546(b) of this Act.

**SEC. 548. MAINTENANCE OF RECORDS.**

Each public housing agency shall keep such records as may be reasonably necessary to disclose the amount and the disposition by the agency of the proceeds of assistance received pursuant to this Act and to ensure compliance with the requirements of this Act.

**SEC. 549. ANNUAL REPORTS REGARDING TROUBLED PHA'S.**

The Secretary shall submit a report to the Congress annually, as a part of the report of the Secretary under section 8 of the Department of Housing and Urban Development Act, that—

(1) identifies the public housing agencies that are designated under section 533 as troubled or at-risk of becoming troubled and the reasons for such designation; and

(2) describes any actions that have been taken in accordance with sections 542, 543, 544, and 545.

**SEC. 550. APPLICABILITY TO RESIDENT MANAGEMENT CORPORATIONS.**

The Secretary shall apply the provisions of this subtitle to resident management corporations in the same manner as applied to public housing agencies.

**SEC. 551. ADVISORY COUNCIL FOR HOUSING AUTHORITY OF NEW ORLEANS.**

(a) ESTABLISHMENT.—The Secretary and the Housing Authority of New Orleans (in this section referred to as the ''Housing Authority'') shall, pursuant to the cooperative endeavor agreement in effect between the Secretary and the Housing Authority, establish an advisory council for the Housing Authority of New Orleans (in this section referred to as the ''advisory council'') that complies with the requirements of this section.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The advisory council shall be appointed by the Secretary, not later than 90 days after the date of the enactment of this Act, and shall be composed of the following members:

(A) The Inspector General of the Department of Housing and Urban Development (or the Inspector General's designee).

(B) Not more than 7 other members, who shall be selected for appointment based on their experience in successfully reforming troubled public housing agencies or in providing affordable housing in coordination with State and local governments, the private sector, affordable housing residents, or local nonprofit organizations.

(2) PROHIBITION ON ADDITIONAL PAY.—Members of the advisory council shall serve without compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Board using amounts from the Headquarters Reserve fund pursuant to section 111(b)(4).

(c) FUNCTIONS.—The advisory council shall—

(1) establish standards and guidelines for assessing the performance of the Housing Authority in carrying out operational, asset management, and financial functions for purposes of the reports and finding under subsections (d) and (e), respectively;

(2) provide advice, expertise, and recommendations to the Housing Authority regarding the management, operation, repair, redevelopment, revitalization, demolition, and disposition of public housing developments of the Housing Authority;

(3) report to the Congress under subsection (d) regarding any progress of the Housing Authority in improving the performance of its functions; and

(4) make a final finding to the Congress under subsection (e) regarding the future of the Housing Authority.

(d) QUARTERLY REPORTS.—The advisory council shall report to the Congress and the Secretary not less than every 3 months regarding the performance of the Housing Authority and any progress of the authority in improving its performance and carrying out its functions.

(e) FINAL FINDING.—Upon the expiration of the 18-month period that begins upon the appointment under subsection (b)(1) of all members of the advisory council, the council shall make and submit to the Congress and the Secretary a finding of whether the Housing Authority has substantially improved its performance, the performance of its functions, and the overall condition of the Authority such that the Authority should be allowed to continue to operate as the manager of the public housing of the Authority. In making the finding under this subsection, the advisory council shall consider whether the Housing Authority has made sufficient progress in the demolition and revitalization of the Desire Homes development, the revitalization of the St. Thomas Homes development, the appropriate allocation of operating subsidy amounts, and the appropriate expending of modernization amounts.

(f) RECEIVERSHIP.—If the advisory council finds under subsection (e) that the Housing Authority has not substantially improved its performance such that the Authority should be allowed to continue to operate as the manager of the public housing of the Authority, the Secretary shall (notwithstanding section 545(a)) petition under section 545(b) for the appointment of a receiver for the Housing Authority, which receivership shall be subject to the provisions of section 545.

(g) EXEMPTION.—The provisions of section 546 shall not apply to the Housing Authority.

AMENDMENT NO. 25 OFFERED BY MR. VENTO

Mr. VENTO. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 25 offered by Mr. VENTO: Page 244, strike line 1 and all that follows through line 8 on page 254, and insert the following:

Subtitle C—Public Housing Management Assessment Program

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I understand that we have an understanding or negotiation that we would be able to seek an outside parameter of time, 20 minutes, to hear this amendment, 10 minutes to be controlled by the gentleman from Minnesota [Mr. VENTO] and 10 minutes to be controlled by myself.

Mr. VENTO. Mr. Chairman, I ask unanimous consent that the 20 minutes allocated to this be equally divided between the gentleman from New York [Mr. LAZIO] and myself.

The CHAIRMAN. It is the Chair's understanding that this includes all amendments thereto.

Mr. VENTO. That is correct, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota [Mr. VENTO] is recognized for 10 minutes.

Mr. VENTO. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, this amendment in this title V provides for a study of the evaluation of the HUD evaluation system and performance of public housing

agencies; provides a half million dollar study for that purpose, but ironically then, and I think in a contradicting manner, moves ahead and establishes an accreditation board, another Federal board of 12 appointed individuals to that particular board.

Mr. Chairman, this is a contradiction. This is basically either one thing or the other. If we are going to do the study, we need to evaluate what the consequences, the outcome, of that study is. I would agree that a study is appropriate in this instance because there have been many questions that have arisen with regards to HUD and the performance evaluations that it has done of public housing agencies. In fact, it is a rather new effort on their part that has existed for the last 6 or 7 years to make that effort.

As we repeatedly heard with regard to 3,400 agencies, there are some 75 that are troubled, that house a considerable number of individuals in the 4½ million housing units. But to set up a study and then to automatically set up the board really predetermines what the outcome of the study is. The study may in fact find other alternatives that are preferable, for instance, in terms of reinforcing the existing authority within HUD, but beyond that it simply opens up the possibility of having two competing entities; that is to say HUD itself, which has responsibility, and I might say the lines are not clearly defined with regards to this board that is established, the accreditation board, and HUD itself and the fighting between one another as to what the requirements, who has what responsibilities.

It is in fact the report language that we have in the bill that the majority's report language on page 115 goes on to even point out this particular abnormality. It says if such study concludes, and I quote, ''If such study concludes that an accreditation system would be unwise for the public housing program, then Congress will be in a position to either change the focus of the accreditation board, this new Federal agency, in accordance with the study's findings or to simply eliminate the board.''

So here we have in one case a study that is suggesting that if the study suggests something else that we are going to eliminate the board. Well, I got news for my colleagues. Once this board gets appointed and we have 12 appointed people by the Speaker, by the President, by the ranking members in the House and Senate, they are going to be a board in search of a mission. Once we set up this type of federal bureaucracy, we are not going to dismiss it. They are going to be out there looking for something to do.

So I mean I do not understand the purpose of doing this. As my colleagues know, Congress is going to be back in session in 1998. My colleague will still be, I guess, I assume, the chairman of the subcommittee when this study comes back. We are going to spend a half million dollars on it, and I think that, as my colleagues know, in terms of trying to be objective about this we ought to at least try and get the results of the study before we presuppose what the results are. If that is the case, then why do they have the study in here? And I would suggest that there are many contradictions in competition that come up; in fact this has been pointed out repeatedly.

This board will have the power to mail, will have the power to hire executives, to hire staff. As my colleagues know, if they love rules and regulations, they are going to love this new bureaucracy that is being set up here. As my colleagues know, if they do not agree with the job HUD is doing, I think then maybe we need to take issue with that with the new Secretary or the former Secretary, as we have. But to set up another board, a redundant board, I think is the height of cynicism.

Mr. Chairman, I reserve the balance of my time.

Mr. LAZIO of New York. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I wish every public housing authority throughout the Nation was a high performing, competent housing authority that performed to levels of excellence, and if that were the case, as the saying goes, if men were angels, we would not need such a thing as an accreditation board. But in fact there are some housing authorities throughout the country that are not doing a very good job. Some have been dismal failures and some need more help, some need more encouragement.

In the academic world accreditation is used in order to ensure minimum levels of excellence in terms of colleges and universities, and it is a stamp of approval for people when they look at colleges and universities or law schools or graduate schools. It gives people a comfort level that they know that these institutions are performing at these minimal levels. And they are staffed and developed by a system of peers. The same is true with hospitals throughout the Nation.

But with housing that monitoring takes place in-house in HUD. HUD itself monitors the housing authorities, and they have been doing an exceptionally mediocre, some would say a quite poor, job of that evaluation. In fact, according to the General Accounting Office in an independent study, one-half of HUD's confirmatory reviews of their in-house assessment program showed that their scores were shown to be inaccurate. Fifty-eight percent of the time that the scores were shown to be inaccurate, HUD lowered the scores by an average of 14 points or a very substantial shift on a score of 1 to 100.

Mr. Chairman, there is no doubt that the evaluation procedure that currently exists is faulty; it is inherently flawed, it is unreliable and lacks credibility, and that is one of the reasons why housing authorities that have been performing at very low standards are permitted to continue to operate where we continue to be able to—not just able, but we are almost forced or encouraged to throw good money after bad to keep feeding housing authorities when they are performing at very low management levels.

The National Commission on Severely Distressed Housing advocated an accreditation system to better evaluate the effectiveness of public housing management, and it felt that industry peers with experience running housing authorities similar to those that they are assessing are in a better position to develop performance standards, reevaluate an organization against its own needs and requirements and differentiate among conditions or issues of concern that may exist in a development, but not in others, and also to offer technical assistance in specifically each authority and help it to learn how to meet accreditation standards and management. We need an independent accreditation board.

We are also saying by authorizing a study within the course of this section of the bill that we should have a study and have them report back to us so that we can fully flesh out what this independent accreditation board should have in terms of its overall and underlying mission, but we do make a statement in this bill that we need independence, that we need an accreditation board that ought to be staffed by peers and people with industry experience, and it ought to be used to help prompt housing authorities to be all that they can be to perform to levels of excellence and for those who do not, to report back so that we can take appropriate action to defund the housing authorities that are doing a dismal job.

Mr. Chairman, I reserve the balance of my time.

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Mr. VENTO. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. KENNEDY] the ranking Member.

Mr. KENNEDY of Massachusetts. Mr. Chairman, first of all, let me thank my good friend, Mr. VENTO, for once again taking on an issue that, while it is perhaps off the beaten path in terms of normal debate that we hear around the Congress of the United States, is nonetheless central to I think the proper administration of housing programs in this country.

People are so fond of beating up on HUD and beating up on badly-run public housing agencies, badly run public housing authorities and projects, they will simply jump at any possible solution to the problem, no matter how well that idea is going to work. We have heard a lot of rhetoric about the fact that we should be open to new ideas. I say maybe the other side ought to be open to a bad idea, and perhaps when they see a bad idea they ought to be willing to shut it down. This qualifies as a bad idea.

We all agree that we need to tear down bad public housing and take over

troubled housing authorities, but we can and we have been doing that without creating a costly, independent and duplicative accreditation board.

I support the Vento amendment that maintains H.R. 2's industry study of current accreditation systems and makes recommendations to the Congress on improving and monitoring the evaluation of public housing authorities. Upon completion of the study, my colleagues have our commitment to review the study in an expedited manner and move to legislation, if needed, that would implement the study's thoughtful suggestions.

We need to support Mr. VENTO's amendment that strikes the implementation of an accreditation board despite what the 6-month study might recommend. The committee heard testimony from all of the national representatives of public housing directors, such as the Council of Large Public Housing Authorities, the Public Housing Directors Association, the National Association of Redevelopment and Housing Directors that opposed instituting H.R. 2's accreditation board.

Secretary Cuomo and HUD's Inspector General also offered testimony against the independent evaluation board included in the board. Secretary Cuomo recognized that an outside accreditation board would replace the current responsibilities of HUD in evaluating PHA's, yet the PHA's would remain fiscally accountable to HUD. With HUD's oversight role so greatly diminished by establishing an accreditation board, how could the Department certify that PHAs were responsible?

As we move toward a balanced budget, why are we mandating and paying for an accreditation study and then refusing to see what the study says before we move to policy development?

I just believe, when all is said and done, this is the worst kind of legislating. It is saying, listen, we have an idea, we are such true believers in our idea that we are going to create a study, and regardless of what the study ends up suggesting or saying, we are going to go forward with the idea nonetheless.

If we are going to do this, why not just go forward with the accreditation board and at least save the taxpayers a study.

Mr. LAZIO of New York. Mr. Chairman, I reserve the balance of my time.

Mr. VENTO. Mr. Chairman, I yield myself the balance of my time.

I would just say that effectively there have been no answers to the questions that we have raised. The gentleman's own report language suggests that if the study turns out differently, then we can come back and repeal the board.

Mr. Chairman, it is a $500,000 study, I say to my colleagues. It is going to set up appointments by the Speaker, by the minority leader, by the President; 12 Members are going to be out there looking for a mission. We know how these sorts of examples function.

I would say that my distinguished colleague from New York, Mr. LAZIO, the subcommittee chairman, pointed out that the GAO gave an evaluation of HUD. How does this deal with changing HUD? HUD still has the responsibility; and I might say in reference to this that HUD has, and in this bill, in fact, there is even more authority being given to local governments and to the public housing authorities. The presumption is that they have the ability to in fact function in that regard.

I would suggest that this is not accreditation. We have building standards and many requirements that are local. This is a balancing act that we do when we are dealing with housing. It is not as though that they have absolute autonomy in terms of what they are doing, as we might find in hospitals or in education institutions where in fact the accreditation issue is even being devalued. Some of the best schools in this country, incidentally, do not go through accreditation. There are questions about the hospital process even today as we sit here, yet we are going ahead and having a study.

I think that in fact that the study is quite appropriate and I support it, but why not wait until we get it back to find out what the best way to implement this is? Do we need another board within HUD, without HUD? Do we need another level of bureaucracy? Do we need HUD in essence competing with this accreditation board? That is what this invites.

The lines of authority and the way that this is written is not clear. I do not doubt the gentleman's good intentions in terms of what he is trying to do, but I think it needs a further evaluation. That is why I think that Secretary Cuomo has spoken out strongly against this; why Secretary Cisneros was very concerned about this in the previous example of this legislation. While the Inspector General of HUD, I misspoke when I said the GAO, but the Inspector General of HUD has suggested that it would not work, the GAO has pointed out that the accreditation model also had questions about it, and most of the public housing agencies, the housing authorities directors association, are very concerned and have spoken out against this.

So I do not understand where the support for this comes, other than the fact that if we get a study back in a year that is commissioned, why can we not take up the study at that time and then allocate the responsibilities appropriately in terms of how we evaluate housing agencies? It is not all bad. They did pick St. Paul, MN, as the No. 1 public housing agency, I might say to my friend, so there are I think some good aspects to it, but why are we setting this up and having the motion that we will in essence lose control of it? We will have little influence in that particular case. Adopt the Vento amendment.

Mr. LAZIO of New York. Mr. Chairman, I yield myself such time as I may consume.

Let me begin by saying that I know that the gentleman from Minnesota offers the amendment not just in good faith, but with a good deal of passion, and I appreciate his concern for housing. He has been a very credible and productive member of the Committee on Banking and Financial Services, and I appreciate him.

However, let me say this about the gentleman's amendment. We want to make a statement here that we are going to hit the ground running. We are not going to wait for further activity; we are not going to condemn another generation to live in substandard conditions. We are going to acknowledge the fact that the HUD evaluations of housing authorities have been chronically flawed and faulty. That is not speculation, that is fact. That is the conclusion of the General Accounting Office.

What we are saying in the bill is that we need an independent entity to ensure and demand that the housing authorities are performing to levels of excellence. I can understand why HUD might want to keep control of this, and I can understand why some housing authorities might not want to have an independent evaluation, but let me say that is exactly what they need. It is unfair to the taxpayers and unfair to the residents when housing authorities, performing under abysmal standards, are evaluated by HUD and given passing grades, and that is exactly what has been criticized by both the General Accounting Office and by the inspector general when they found fault with the internal accounting system of the evaluation system within HUD.

In fact, there are plenty of housing authorities, plenty of housing authorities, according to the testimony that the committee heard, that while they have received pretty decent scores, in fact they had poor maintenance, windows broken, doors broken, graffiti, criminal activity, poor management, money wasted, and because of the faulty evaluation, and in my opinion, this member's opinion, because of a lack of independence in terms of the evaluation, that was allowed to continue. The net effect of that is that another generation is condemned to live in poor conditions.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I cannot differ with the gentleman in terms of some of the deplorable problems that have occurred, but is it not the function of the Inspector General of HUD that has done some of the criticism or the GAO or the oversight work of our committee that can, in fact, hold them accountable? Is this the only means available?

If this study goes through the process and indicates that it is preferable, I will join the gentleman in supporting it. But I think the essence is, why do we not look at what the alternatives

are? Of course we know that HUD itself has renewed its efforts in these areas.

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, it is absolutely the responsibility of the committee in terms of oversight. It is absolutely the responsibility of the inspector general. It is absolutely the responsibility of the General Accounting Office, to the extent that they are directed to report back to Congress, to evaluate the information that is provided.

The idea here is to ensure that we have credible, independent information provided so that we can make reasonable judgments, and that is why this bill stands for the independent accreditation system outside of HUD that will report to us and allow us to make decent decisions about what we should do when we have chronic failure.

Of course, H.R. 2 speaks to that. We fired the ones that are doing the poor job, and what we should do with those housing authorities that are doing a good job, and again H.R. 2 speaks to this, we should provide more flexibility. But we should be getting additional information upon which we can make judgments.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would ask of the gentleman from New York, is it not true that in the legislation that the gentleman wrote, that he included new regulations regarding FEMAC that actually deal with the building inspection program that the gentleman just cited in order to improve how those inspections are being done?

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, since we have asked for a study to be implemented, we have interim regulations in place so that there is not a void until the accreditation board is fully operational, in which case that would substitute.

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman will continue to yield, I appreciate that, but I would point out to the gentleman that he has designed and pointed out some problems that have existed; he has taken steps to try to deal with those problems, and then he has said maybe the entire system needs to have a new look, and he has created a $500,000 study to look at that new look. The trouble is that the gentleman implements the results of the study before the study has been completed.

So I just pose the question to the gentleman from New York [Mr. LAZIO], if you are going to do that, why do the study? Why not just save the taxpayers $500,000 and go forward?

Mr. LAZIO of New York. Mr. Chairman, again reclaiming my time, I think it was Members of the minority who asked for the study, as a matter of fact. I would say to the gentleman it was the Members of the minority that asked for the study. We established the plan. Because we have a study and we are trying to be flexible and respond to the minority by having the study, we can obviously not implement the accreditation board immediately, so we have interim rules and regulations so that we do not have an absolute void in terms of evaluation, and that all seems entirely responsible and rational, based on some of the concerns that have been expressed by Members of the minority.

We are happy to have the study in there to ensure that we have all the relevant input that we might need in order to have the strongest possible accreditation board, which would have independence and still have credibility.

The CHAIRMAN. All time on this amendment has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. VENTO].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. VENTO. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 133, further proceedings on the amendment offered by the gentleman from Minnesota [Mr. VENTO] will be postponed.

The CHAIRMAN. Are there further amendments to title V?

Mr. LAZIO of New York. Mr. Chairman, I ask unanimous consent that the following Members be permitted to offer their amendments to title V even after the reading has progressed beyond that title, and that is subject to discussions I have had with both of these Members, and I have made a personal commitment that I will support this unanimous-consent request. That would be the amendment by the gentleman from New York [Mr. TOWNS] and the amendment by the gentleman from Illinois [Mr. DAVIS].

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

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The CHAIRMAN. If there are no further amendments to title V, the Clerk will designate title VI.

The text of title VI is as follows:

## TITLE VI—REPEALS AND RELATED AMENDMENTS

### Subtitle A—Repeals, Effective Date, and Savings Provisions

**SEC. 601. EFFECTIVE DATE AND REPEAL OF UNITED STATES HOUSING ACT OF 1937.**

(a) EFFECTIVE DATE.—

(1) IN GENERAL.—This Act and the amendments made by this Act shall take effect upon the expiration of the 6-month period beginning on the date of the enactment of this Act, except as otherwise provided in this section.

(2) EXCEPTION.—If the Secretary determines that action under this paragraph is necessary for program administration or to avoid hardship, the Secretary may, by notice in accordance with subsection (d), delay the effective date of any provision of this Act until a date not later than October 1, 1998.

(3) SPECIFIC EFFECTIVE DATES.—Any provision of this Act that specifically provides for the effective date of such provision shall take effect in accordance with the terms of the provision.

(b) REPEAL OF UNITED STATES HOUSING ACT OF 1937.—Effective upon the effective date under subsection (a)(1), the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is repealed, subject to the conditions under subsection (c). Subsection (a)(2) shall not apply to this subsection.

(c) SAVINGS PROVISIONS.—

(1) OBLIGATIONS UNDER 1937 ACT.—Any obligation of the Secretary made under authority of the United States Housing Act of 1937 shall continue to be governed by the provisions of such Act, except that—

(A) notwithstanding the repeal of such Act, the Secretary may make a new obligation under such Act upon finding that such obligation is required—

(i) to protect the financial interests of the United States or the Department of Housing and Urban Development; or

(ii) for the amendment, extension, or renewal of existing obligations; and

(B) notwithstanding the repeal of such Act, the Secretary may, in accordance with subsection (d), issue regulations and other guidance and directives as if such Act were in effect if the Secretary finds that such action is necessary to facilitate the administration of obligations under such Act.

(2) TRANSITION OF FUNDING.—Amounts appropriated under the United States Housing Act of 1937 shall, upon repeal of such Act, remain available for obligation under such Act in accordance with the terms under which amounts were made available.

(3) CROSS REFERENCES.—The provisions of the United States Housing Act of 1937 shall remain in effect for purposes of the validity of any reference to a provision of such Act in any statute (other than such Act) until such reference is modified by law or repealed.

(d) PUBLICATION AND EFFECTIVE DATE OF NOTICES OF DELAY.—

(1) SUBMISSION TO CONGRESS.—The Secretary shall submit to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a copy of any proposed notice under subsection (a)(2) or any proposed regulation, guidance, or directive under subsection (c)(1)(B).

(2) OPPORTUNITY TO REVIEW.—Such a regulation, notice, guidance, or directive may not be published for comment or for final effectiveness before or during the 15-calendar day period beginning on the day after the date on which such regulation, notice, guidance, or directive was submitted to the Congress.

(3) EFFECTIVE DATE.—No regulation, notice, guideline, or directive may become effective until after the expiration of the 30-calendar day period beginning on the day after the day on which such rule or regulation is published as final.

(4) WAIVER.—The provisions of paragraphs (2) and (3) may be waived upon the written request of the Secretary, if agreed to by the Chairmen and Ranking Minority Members of both Committees.

(e) MODIFICATIONS.—Notwithstanding any provision of this Act or any annual contributions contract or other agreement entered into by the Secretary and a public housing agency pursuant to the provisions of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 601(b) of this Act), the Secretary and the agency may by mutual consent amend, supersede, or modify any such agreement as appropriate to provide for assistance under this Act, except that the Secretary and the agency may not consent to

any such amendment, supersession, or modification that substantially alters any outstanding obligations requiring continued maintenance of the low-income character of any public housing development and any such amendment, supersession, or modification shall not be given effect.

(f) SECTION 8 PROJECT-BASED ASSISTANCE.—

(1) IN GENERAL.—The provisions of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) shall remain in effect after the effectiveness of the repeal under subsection (b) with respect to all section 8 project-based assistance, pursuant to existing and future contracts, except as otherwise provided by this section.

(2) TENANT SELECTION PREFERENCES.—An owner of housing assisted with section 8 project-based assistance shall give preference, in the selection of tenants for units of such projects that become available, according to any system of local preferences established pursuant to section 223 by the public housing agency having jurisdiction for the area in which such projects are located.

(3) 1-YEAR NOTIFICATION.—Paragraphs (9) and (10) of section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)) shall not be applicable to section 8 project-based assistance.

(4) LEASE TERMS.—Leases for dwelling units assisted with section 8 project-based assistance shall comply with the provisions of paragraphs (1) and (3) of section 324 of this Act and shall not be subject to the provisions of 8(d)(1)(B) of the United States Housing Act of 1937.

(5) TERMINATION OF TENANCY.—Any termination of tenancy of a resident of a dwelling unit assisted with section 8 project-based assistance shall comply with the provisions of section 324(2) and section 325 of this Act and shall not be subject to the provisions of section 8(d)(1)(B) of the United States Housing Act of 1937.

(6) DEFINITION.—For purposes of this subsection, the term ''section 8 project-based assistance'' means assistance under any of the following programs:

(A) The new construction or substantial rehabilitation program under section 8(b)(2) of the United States Housing Act of 1937 (as in effect before October 1, 1983).

(B) The property disposition program under section 8(b) of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 601(b) of this Act).

(C) The loan management set-aside program under subsections (b) and (v) of section 8 of such Act.

(D) The project-based certificate program under section 8(d)(2) of such Act.

(E) The moderate rehabilitation program under section 8(e)(2) of the United States Housing Act of 1937 (as in effect before October 1, 1991).

(F) The low-income housing preservation program under Low-Income Housing Preservation and Resident Homeownership Act of 1990 or the provisions of the Emergency Low Income Housing Preservation Act of 1987 (as in effect before November 28, 1990).

(G) Section 8 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 601(b) of this Act), following conversion from assistance under section 101 of the Housing and Urban Development Act of 1965 or section 236(f)(2) of the National Housing Act.

(g) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

**SEC. 602. OTHER REPEALS.**

(a) IN GENERAL.—The following provisions of law are hereby repealed:

(1) ASSISTED HOUSING ALLOCATION.—Section 213 of the Housing and Community Development Act of 1974 (42 U.S.C. 1439).

(2) PUBLIC HOUSING RENT WAIVERS FOR POLICE.—Section 519 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437a–1).

(3) TREATMENT OF CERTIFICATE AND VOUCHER HOLDERS.—Subsection (c) of section 183 of the Housing and Community Development Act of 1987 (42 U.S.C. 1437f note).

(4) EXCESSIVE RENT BURDEN DATA.—Subsection (b) of section 550 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note).

(5) MOVING TO OPPORTUNITY FOR FAIR HOUSING.—Section 152 of the Housing and Community Development Act of 1992 (42 U.S.C. 1437f note).

(6) REPORT REGARDING FAIR HOUSING OBJECTIVES.—Section 153 of the Housing and Community Development Act of 1992 (42 U.S.C. 1437f note).

(7) SPECIAL PROJECTS FOR ELDERLY OR HANDICAPPED FAMILIES.—Section 209 of the Housing and Community Development Act of 1974 (42 U.S.C. 1438).

(8) ACCESS TO PHA BOOKS.—Section 816 of the Housing Act of 1954 (42 U.S.C. 1435).

(9) MISCELLANEOUS PROVISIONS.—Subsections (b)(1) and (d) of section 326 of the Housing and Community Development Amendments of 1981 (Public Law 97–35, 95 Stat. 406; 42 U.S.C. 1437f note).

(10) PAYMENT FOR DEVELOPMENT MANAGERS.—Section 329A of the Housing and Community Development Amendments of 1981 (42 U.S.C. 1437j–1).

(11) PROCUREMENT OF INSURANCE BY PHA'S.—In the item relating to ''ADMINISTRATIVE PROVISIONS'' under the heading ''MANAGEMENT AND ADMINISTRATION'' in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1991, the penultimate undesignated paragraph of such item (Public Law 101–507; 104 Stat. 1369).

(12) PUBLIC HOUSING CHILDHOOD DEVELOPMENT.—Section 222 of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701z–6 note).

(13) INDIAN HOUSING CHILDHOOD DEVELOPMENT.—Section 518 of the Cranston-Gonzalez National Affordable Housing Act (12 U.S.C. 1701z–6 note).

(14) PUBLIC HOUSING COMPREHENSIVE TRANSITION DEMONSTRATION.—Section 126 of the Housing and Community Development Act of 1987 (42 U.S.C. 1437f note).

(15) PUBLIC HOUSING ONE-STOP PERINATAL SERVICES DEMONSTRATION.—Section 521 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437t note).

(16) PUBLIC HOUSING MINCS DEMONSTRATION.—Section 522 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note).

(17) PUBLIC HOUSING ENERGY EFFICIENCY DEMONSTRATION.—Section 523 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437g note).

(18) OMAHA HOMEOWNERSHIP DEMONSTRATION.—Section 132 of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3712).

(19) PUBLIC AND ASSISTED HOUSING YOUTH SPORTS PROGRAMS.—Section 520 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 11903a).

(20) FROST-LELAND PROVISIONS.—Section 415 of the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1988 (Public Law 100–202; 101 Stat. 1329–213); except that, notwithstanding any other provision of law, beginning on the date of enactment of this Act, the public housing projects described in section 415 of such appropriations Act (as such section existed immediately before the date of enactment of this Act) shall be eligible for demolition—

(A) under section 14 of the United States Housing Act of 1937 (as such section existed upon the enactment of this Act); and

(B) under section 9 of the United States Housing Act of 1937.

(21) MULTIFAMILY FINANCING.—The penultimate sentence of section 302(b)(2) of the National Housing Act (12 U.S.C. 1717(b)(2)) and the penultimate sentence of section 305(a)(2) of the Emergency Home Finance Act of 1970 (12 U.S.C. 1454(a)(2)).

(22) CONFLICTS OF INTEREST.—Subsection (c) of section 326 of the Housing and Community Development Amendments of 1981 (42 U.S.C. 1437f note).

(23) CONVERSION OF PUBLIC HOUSING.—Section 202 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 1437l note) (enacted as section 101(e) of Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134; 110 Stat. 1321–279)).

(b) SAVINGS PROVISION.—Except to the extent otherwise provided in this Act—

(1) the repeals made by subsection (a) shall not affect any legally binding obligations entered into before the effective date of this Act; and

(2) any funds or activities subject to a provision of law repealed by subsection (a) shall continue to be governed by the provision as in effect immediately before such repeal.

**Subtitle B—Other Provisions Relating to Public Housing and Rental Assistance Programs**

**SEC. 621. ALLOCATION OF ELDERLY HOUSING AMOUNTS.**

Section 202(l) of the Housing Act of 1959 (12 U.S.C. 1701q(l)) is amended by adding at the end the following new paragraph:

''(4) CONSIDERATION IN ALLOCATING ASSISTANCE.—Assistance under this section shall be allocated in a manner that ensures that the awards of the assistance are made for projects of sufficient size to accommodate facilities for supportive services appropriate to the needs of frail elderly residents.''.

**SEC. 622. PET OWNERSHIP.**

Section 227 of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701r–1) is amended to read as follows:

**''SEC. 227. PET OWNERSHIP IN FEDERALLY ASSISTED RENTAL HOUSING.**

''(a) RIGHT OF OWNERSHIP.—A resident of a dwelling unit in federally assisted rental housing may own common household pets or have common household pets present in the dwelling unit of such resident, subject to the reasonable requirements of the owner of the federally assisted rental housing and providing that the resident maintains the animals responsibly and in compliance with applicable local and State public health, animal control, and anticruelty laws. Such reasonable requirements may include requiring payment of a nominal fee and pet deposit by residents owning or having pets present, to cover the operating costs to the project relating to the presence of pets and to establish an escrow account for additional such costs not otherwise covered, respectively. Notwithstanding section 225(d) of the Housing Opportunity and Responsibility Act of 1997, a public housing agency may not grant any exemption under such section from payment, in whole or in part, of any fee or deposit required pursuant to the preceding sentence.

''(b) PROHIBITION AGAINST DISCRIMINATION.—No owner of federally assisted rental housing may restrict or discriminate against any person in connection with admission to, or continued occupancy of, such housing by

reason of the ownership of common household pets by, or the presence of such pets in the dwelling unit of, such person.

''(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

''(1) FEDERALLY ASSISTED RENTAL HOUSING.—The term 'federally assisted rental housing' means any multifamily rental housing project that is—

''(A) public housing (as such term is defined in section 103 of the Housing Opportunity and Responsibility Act of 1997);

''(B) assisted with project-based assistance pursuant to section 601(f) of the Housing Opportunity and Responsibility Act of 1997 or under section 8 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 601(b) of the Housing Opportunity and Responsibility Act of 1997);

''(C) assisted under section 202 of the Housing Act of 1959 (as amended by section 801 of the Cranston-Gonzalez National Affordable Housing Act);

''(D) assisted under section 202 of the Housing Act of 1959 (as in effect before the enactment of the Cranston-Gonzalez National Affordable Housing Act);

''(E) assisted under title V of the Housing Act of 1949; or

''(F) insured, assisted, or held by the Secretary or a State or State agency under section 236 of the National Housing Act.

''(2) OWNER.—The term 'owner' means, with respect to federally assisted rental housing, the entity or private person, including a cooperative or public housing agency, that has the legal right to lease or sublease dwelling units in such housing (including a manager of such housing having such right).

''(d) REGULATIONS.—This section shall take effect upon the date of the effectiveness of regulations issued by the Secretary to carry out this section. Such regulations shall be issued not later than the expiration of the 1-year period beginning on the date of the enactment of the Housing Opportunity and Responsibility Act of 1997 and after notice and opportunity for public comment in accordance with the procedure under section 553 of title 5, United States Code, applicable to substantive rules (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).''.

**SEC. 623. REVIEW OF DRUG ELIMINATION PROGRAM CONTRACTS.**

(a) REQUIREMENT.—The Secretary of Housing and Urban Development shall investigate all security contracts awarded by grantees under the Public and Assisted Housing Drug Elimination Act of 1990 (42 U.S.C. 11901 et seq.) that are public housing agencies that own or operate more than 4,500 public housing dwelling units—

(1) to determine whether the contractors under such contracts have complied with all laws and regulations regarding prohibition of discrimination in hiring practices;

(2) to determine whether such contracts were awarded in accordance with the applicable laws and regulations regarding the award of such contracts;

(3) to determine how many such contracts were awarded under emergency contracting procedures;

(4) to evaluate the effectiveness of the contracts; and

(5) to provide a full accounting of all expenses under the contracts.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall complete the investigation required under subsection (a) and submit a report to the Congress regarding the findings under the investigation. With respect to each such contract, the report shall (1) state whether the contract was made and is operating, or was not made or is not operating, in full compliance with applicable laws and regulations, and (2) for each contract that the Secretary determines is in such compliance issue a personal certification of such compliance by the Secretary of Housing and Urban Development.

(c) ACTIONS.—For each contract that is described in the report under subsection (b) as not made or not operating in full compliance with applicable laws and regulations, the Secretary of Housing and Urban Development shall promptly take any actions available under law or regulation that are necessary—

(1) to bring such contract into compliance; or

(2) to terminate the contract.

(d) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

**SEC. 624. AMENDMENTS TO PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION ACT OF 1990.**

(a) SHORT TITLE, PURPOSES, AND AUTHORITY TO MAKE GRANTS.—Chapter 2 of subtitle C of title V of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901 et seq.) is amended by striking the chapter heading and all that follows through section 5123 and inserting the following:

**''CHAPTER 2—COMMUNITY PARTNERSHIPS AGAINST CRIME**

**''SEC. 5121. SHORT TITLE.**

''This chapter may be cited as the 'Community Partnerships Against Crime Act of 1997'.

**''SEC. 5122. PURPOSES.**

''The purposes of this chapter are to—

''(1) improve the quality of life for the vast majority of law-abiding public housing residents by reducing the levels of fear, violence, and crime in their communities;

''(2) broaden the scope of the Public and Assisted Housing Drug Elimination Act of 1990 to apply to all types of crime, and not simply crime that is drug-related; and

''(3) reduce crime and disorder in and around public housing through the expansion of community-oriented policing activities and problem solving.

**''SEC. 5123. AUTHORITY TO MAKE GRANTS.**

''The Secretary of Housing and Urban Development may make grants in accordance with the provisions of this chapter for use in eliminating crime in and around public housing and other federally assisted low-income housing projects to (1) public housing agencies, and (2) private, for-profit and nonprofit owners of federally assisted low-income housing.''.

(b) ELIGIBLE ACTIVITIES.—

(1) IN GENERAL.—Section 5124(a) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11903(a)) is amended—

(A) in the matter preceding paragraph (1), by inserting ''and around'' after ''used in'';

(B) in paragraph (3), by inserting before the semicolon the following: '', including fencing, lighting, locking, and surveillance systems'';

(C) in paragraph (4), by striking subparagraph (A) and inserting the following new subparagraph:

''(A) to investigate crime; and'';

(D) in paragraph (6)—

(i) by striking ''in and around public or other federally assisted low-income housing projects''; and

(ii) by striking ''and'' after the semicolon; and

(E) by striking paragraph (7) and inserting the following new paragraphs:

''(7) providing funding to nonprofit public housing resident management corporations and resident councils to develop security and crime prevention programs involving site residents;

''(8) the employment or utilization of one or more individuals, including law enforcement officers, made available by contract or other cooperative arrangement with State or local law enforcement agencies, to engage in community- and problem-oriented policing involving interaction with members of the community in proactive crime control and prevention activities;

''(9) programs and activities for or involving youth, including training, education, recreation and sports, career planning, and entrepreneurship and employment activities and after school and cultural programs; and

''(10) service programs for residents that address the contributing factors of crime, including programs for job training, education, drug and alcohol treatment, and other appropriate social services.''.

(2) OTHER PHA-OWNED HOUSING.—Section 5124(b) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11903(b)) is amended—

(A) in the matter preceding paragraph (1)—

(i) by striking ''drug-related crime in'' and inserting ''crime in and around''; and

(ii) by striking ''paragraphs (1) through (7)'' and inserting ''paragraphs (1) through (10)''; and

(B) in paragraph (2), by striking ''drug-related'' and inserting ''criminal''.

(c) GRANT PROCEDURES.—Section 5125 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11904) is amended to read as follows:

**''SEC. 5125. GRANT PROCEDURES.**

''(a) PHA'S WITH 250 OR MORE UNITS.—

''(1) GRANTS.—In each fiscal year, the Secretary shall make a grant under this chapter from any amounts available under section 5131(b)(1) for the fiscal year to each of the following public housing agencies:

''(A) NEW APPLICANTS.—Each public housing agency that owns or operates 250 or more public housing dwelling units and has—

''(i) submitted an application to the Secretary for a grant for such fiscal year, which includes a 5-year crime deterrence and reduction plan under paragraph (2); and

''(ii) had such application and plan approved by the Secretary.

''(B) RENEWALS.—Each public housing agency that owns or operates 250 or more public housing dwelling units and for which—

''(i) a grant was made under this chapter for the preceding Federal fiscal year;

''(ii) the term of the 5-year crime deterrence and reduction plan applicable to such grant includes the fiscal year for which the grant under this subsection is to be made; and

''(iii) the Secretary has determined, pursuant to a performance review under paragraph (4), that during the preceding fiscal year the agency has substantially fulfilled the requirements under subparagraphs (A) and (B) of paragraph (4).

Notwithstanding subparagraphs (A) and (B), the Secretary may make a grant under this chapter to a public housing agency that owns or operates 250 or more public housing dwelling units only if the agency includes in the application for the grant information that demonstrates, to the satisfaction of the Secretary, that the agency has a need for the grant amounts based on generally recognized crime statistics showing that (I) the crime rate for the public housing developments of the agency (or the immediate neighborhoods in which such developments are located) is higher than the crime rate for the jurisdiction in which the agency operates, (II) the crime rate for the developments (or such neighborhoods) is increasing over a period of sufficient duration to indicate a general trend, or (III) the operation of the program under this chapter substantially contributes to the reduction of crime.

''(2) 5-YEAR CRIME DETERRENCE AND REDUCTION PLAN.—Each application for a grant

under this subsection shall contain a 5-year crime deterrence and reduction plan. The plan shall be developed with the participation of residents and appropriate law enforcement officials. The plan shall describe, for the public housing agency submitting the plan—

''(A) the nature of the crime problem in public housing owned or operated by the public housing agency;

''(B) the building or buildings of the public housing agency affected by the crime problem;

''(C) the impact of the crime problem on residents of such building or buildings; and

''(D) the actions to be taken during the term of the plan to reduce and deter such crime, which shall include actions involving residents, law enforcement, and service providers.

The term of a plan shall be the period consisting of 5 consecutive fiscal years, which begins with the first fiscal year for which funding under this chapter is provided to carry out the plan.

''(3) AMOUNT.—In any fiscal year, the amount of the grant for a public housing agency receiving a grant pursuant to paragraph (1) shall be the amount that bears the same ratio to the total amount made available under section 5131(b)(1) as the total number of public dwelling units owned or operated by such agency bears to the total number of dwelling units owned or operated by all public housing agencies that own or operate 250 or more public housing dwelling units that are approved for such fiscal year.

''(4) PERFORMANCE REVIEW.—For each fiscal year, the Secretary shall conduct a performance review of the activities carried out by each public housing agency receiving a grant pursuant to this subsection to determine whether the agency—

''(A) has carried out such activities in a timely manner and in accordance with its 5-year crime deterrence and reduction plan; and

''(B) has a continuing capacity to carry out such plan in a timely manner.

''(5) SUBMISSION OF APPLICATIONS.—The Secretary shall establish such deadlines and requirements for submission of applications under this subsection.

''(6) REVIEW AND DETERMINATION.—The Secretary shall review each application submitted under this subsection upon submission and shall approve the application unless the application and the 5-year crime deterrence and reduction plan are inconsistent with the purposes of this chapter or any requirements established by the Secretary or the information in the application or plan is not substantially complete. Upon approving or determining not to approve an application and plan submitted under this subsection, the Secretary shall notify the public housing agency submitting the application and plan of such approval or disapproval.

''(7) DISAPPROVAL OF APPLICATIONS.—If the Secretary notifies an agency that the application and plan of the agency is not approved, not later than the expiration of the 15-day period beginning upon such notice of disapproval, the Secretary shall also notify the agency, in writing, of the reasons for the disapproval, the actions that the agency could take to comply with the criteria for approval, and the deadlines for such actions.

''(8) FAILURE TO APPROVE OR DISAPPROVE.—If the Secretary fails to notify an agency of approval or disapproval of an application and plan submitted under this subsection before the expiration of the 60-day period beginning upon the submission of the plan or fails to provide notice under paragraph (7) within the 15-day period under such paragraph to an agency whose application has been disapproved, the application and plan shall be considered to have been approved for purposes of this section.

''(b) PHA'S WITH FEWER THAN 250 UNITS AND OWNERS OF FEDERALLY ASSISTED LOW-INCOME HOUSING.—

''(1) APPLICATIONS AND PLANS.—To be eligible to receive a grant under this chapter, a public housing agency that owns or operates fewer than 250 public housing dwelling units or an owner of federally assisted low-income housing shall submit an application to the Secretary at such time, in such manner, and accompanied by such additional information as the Secretary may require. The application shall include a plan for addressing the problem of crime in and around the housing for which the application is submitted, describing in detail activities to be conducted during the fiscal year for which the grant is requested.

''(2) GRANTS FOR PHA'S WITH FEWER THAN 250 UNITS.—In each fiscal year the Secretary may, to the extent amounts are available under section 5131(b)(2), make grants under this chapter to public housing agencies that own or operate fewer than 250 public housing dwelling units and have submitted applications under paragraph (1) that the Secretary has approved pursuant to the criteria under paragraph (4).

''(3) GRANTS FOR FEDERALLY ASSISTED LOW-INCOME HOUSING.—In each fiscal year the Secretary may, to the extent amounts are available under section 5131(b)(3), make grants under this chapter to owners of federally assisted low-income housing that have submitted applications under paragraph (1) that the Secretary has approved pursuant to the criteria under paragraphs (4) and (5).

''(4) CRITERIA FOR APPROVAL OF APPLICATIONS.—The Secretary shall determine whether to approve each application under this subsection on the basis of—

''(A) the extent of the crime problem in and around the housing for which the application is made;

''(B) the quality of the plan to address the crime problem in the housing for which the application is made;

''(C) the capability of the applicant to carry out the plan; and

''(D) the extent to which the tenants of the housing, the local government, local community-based nonprofit organizations, local tenant organizations representing residents of neighboring projects that are owned or assisted by the Secretary, and the local community support and participate in the design and implementation of the activities proposed to be funded under the application.

In each fiscal year, the Secretary may give preference to applications under this subsection for housing made by applicants who received a grant for such housing for the preceding fiscal year under this subsection or under the provisions of this chapter as in effect immediately before the date of the enactment of the Housing Opportunity and Responsibility Act of 1997.

''(5) ADDITIONAL CRITERIA FOR FEDERALLY ASSISTED LOW-INCOME HOUSING.—In addition to the selection criteria under paragraph (4), the Secretary may establish other criteria for evaluating applications submitted by owners of federally assisted low-income housing, except that such additional criteria shall be designed only to reflect—

''(A) relevant differences between the financial resources and other characteristics of public housing agencies and owners of federally assisted low-income housing; or

''(B) relevant differences between the problem of crime in public housing administered by such authorities and the problem of crime in federally assisted low-income housing.''.

(d) DEFINITIONS.—Section 5126 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11905) is amended—

(1) by striking paragraphs (1) and (2);

(2) in paragraph (4)(A), by striking ''section'' before ''221(d)(4)'';

(3) by redesignating paragraphs (3) and (4) (as so amended) as paragraphs (1) and (2), respectively; and

(4) by adding at the end the following new paragraph:

''(3) PUBLIC HOUSING AGENCY.—The term 'public housing agency' has the meaning given the term in section 103 of the Housing Opportunity and Responsibility Act of 1997.''.

(e) IMPLEMENTATION.—Section 5127 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11906) is amended by striking ''Cranston-Gonzalez National Affordable Housing Act'' and inserting ''Housing Opportunity and Responsibility Act of 1997''.

(f) REPORTS.—Section 5128 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11907) is amended—

(1) by striking ''drug-related crime in'' and inserting ''crime in and around''; and

(2) by striking ''described in section 5125(a)'' and inserting ''for the grantee submitted under subsection (a) or (b) of section 5125, as applicable''.

(g) FUNDING AND PROGRAM SUNSET.—Chapter 2 of subtitle C of title V of the Anti-Drug Abuse Act of 1988 is amended by striking section 5130 (42 U.S.C. 11909) and inserting the following new section:

**''SEC. 5130. FUNDING.**

''(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this chapter $290,000,000 for each of fiscal years 1998, 1999, 2000, 2001, and 2002.

''(b) ALLOCATION.—Of any amounts available, or that the Secretary is authorized to use, to carry out this chapter in any fiscal year—

''(1) 85 percent shall be available only for assistance pursuant to section 5125(a) to public housing agencies that own or operate 250 or more public housing dwelling units;

''(2) 10 percent shall be available only for assistance pursuant to section 5125(b)(2) to public housing agencies that own or operate fewer than 250 public housing dwelling units; and

''(3) 5 percent shall be available only for assistance to federally assisted low-income housing pursuant to section 5125(b)(3).

''(c) RETENTION OF PROCEEDS OF ASSET FORFEITURES BY INSPECTOR GENERAL.—Notwithstanding section 3302 of title 31, United States Code, or any other provision of law affecting the crediting of collections, the proceeds of forfeiture proceedings and funds transferred to the Office of Inspector General of the Department of Housing and Urban Development, as a participating agency, from the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Forfeiture Fund, as an equitable share from the forfeiture of property in investigations in which the Office of Inspector General participates, shall be deposited to the credit of the Office of Inspector General for Operation Safe Home activities authorized under the Inspector General Act of 1978, as amended, to remain available until expended.''.

(h) CONFORMING AMENDMENTS.—The table of contents in section 5001 of the Anti-Drug Abuse Act of 1988 (Public Law 100–690; 102 Stat. 4295) is amended—

(1) by striking the item relating to the heading for chapter 2 of subtitle C of title V and inserting the following:

''CHAPTER 2—COMMUNITY PARTNERSHIPS AGAINST CRIME'';

(2) by striking the item relating to section 5122 and inserting the following new item:

''Sec. 5122. Purposes.'';

(3) by striking the item relating to section 5125 and inserting the following new item:

''Sec. 5125. Grant procedures.'';

and

(4) by striking the item relating to section 5130 and inserting the following new item:

''Sec. 5130. Funding.''.

(i) TREATMENT OF NOFA.—The cap limiting assistance under the Notice of Funding Availability issued by the Department of Housing and Urban Development in the Federal Register of April 8, 1996, shall not apply to a public housing agency within an area designated as a high intensity drug trafficking area under section 1005(c) of the Anti-Drug Abuse Act of 1988 (21 U.S.C. 1504(c)).

(j) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date of the enactment of this Act.

**Subtitle C—Limitations Relating to Occupancy in Federally Assisted Housing**

**SEC. 641. SCREENING OF APPLICANTS.**

(a) INELIGIBILITY BECAUSE OF EVICTION.—Any household or member of a household evicted from federally assisted housing (as such term is defined in section 645) shall not be eligible for federally assisted housing—

(1) in the case of eviction by reason of drug-related criminal activity, for a period of not less than 3 years that begins on the date of such eviction, unless the evicted member of the household successfully completes a rehabilitation program; and

(2) in the case of an eviction for other serious violations of the terms or conditions of the lease, for a reasonable period of time, as determined by the public housing agency or owner of the federally assisted housing, as applicable.

The requirements of paragraphs (1) and (2) may be waived if the circumstances leading to eviction no longer exist.

(b) INELIGIBILITY OF ILLEGAL DRUG USERS AND ALCOHOL USERS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency or an owner of federally assisted housing, or both, as determined by the Secretary, shall establish standards that prohibit admission to the program or admission to federally assisted housing for any household with a member—

(A) who the public housing agency or owner determines is engaging in the illegal use of a controlled substance; or

(B) with respect to whom the public housing agency or owner determines that it has reasonable cause to believe that such household member's illegal use (or pattern of illegal use) of a controlled substance, or abuse (or pattern of abuse) of alcohol, would interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

(2) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to paragraph (1)(B), to deny admission to the program or to federally assisted housing to any household based on a pattern of illegal use of a controlled substance or a pattern of abuse of alcohol by a household member, a public housing agency or an owner may consider whether such household member—

(A) has successfully completed an accredited drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable);

(B) has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable); or

(C) is participating in an accredited drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable).

(c) AUTHORITY TO DENY ADMISSION TO CRIMINAL OFFENDERS.—Except as provided in subsections (a) and (b) and in addition to any other authority to screen applicants, in selecting among applicants for admission to the program or to federally assisted housing, if the public housing agency or owner of such housing (as applicable) determines that an applicant or any member of the applicant's household is or was, during a reasonable time preceding the date when the applicant household would otherwise be selected for admission, engaged in any criminal activity (including drug-related criminal activity), the public housing agency or owner may—

(1) deny such applicant admission to the program or to federally assisted housing;

(2) consider the applicant (for purposes of any waiting list) as not having applied for the program or such housing; and

(3) after the expiration of the reasonable period beginning upon such activity, require the applicant, as a condition of admission to the program or to federally assisted housing, to submit to the public housing agency or owner evidence sufficient (as the Secretary shall by regulation provide) to ensure that the individual or individuals in the applicant's household who engaged in criminal activity for which denial was made under paragraph (1) have not engaged in any criminal activity during such reasonable period.

(d) AUTHORITY TO REQUIRE ACCESS TO CRIMINAL RECORDS.—A public housing agency and an owner of federally assisted housing may require, as a condition of providing admission to the program or admission to or occupancy in federally assisted housing, that each adult member of the household provide a signed, written authorization for the public housing agency to obtain the records described in section 644(a) regarding such member of the household from the National Crime Information Center, police departments, other law enforcement agencies, and State registration agencies referred to in such section. In the case of an owner of federally assisted housing that is not a public housing agency, the owner shall request the public housing agency having jurisdiction over the area within which the housing is located to obtain the records pursuant to section 644.

(e) ADMISSION BASED ON DISABILITY.—

(1) IN GENERAL.—Notwithstanding any other provision of law, for purposes of determining eligibility for admission to federally assisted housing, a person shall not be considered to have a disability or a handicap solely because of the prior or current illegal use of a controlled substance (as defined in section 102 of the Controlled Substances Act) or solely by reason of the prior or current use of alcohol.

(2) CONTINUED OCCUPANCY.—This subsection may not be construed to prohibit the continued occupancy of any person who is a resident in assisted housing on the effective date of this Act.

**SEC. 642. TERMINATION OF TENANCY AND ASSISTANCE FOR ILLEGAL DRUG USERS AND ALCOHOL ABUSERS.**

Notwithstanding any other provision of law, a public housing agency or an owner of federally assisted housing (as applicable), shall establish standards or lease provisions for continued assistance or occupancy in federally assisted housing that allow the agency or owner (as applicable) to terminate the tenancy or assistance for any household with a member—

(1) who the public housing agency or owner determines is engaging in the illegal use of a controlled substance; or

(2) whose illegal use of a controlled substance, or whose abuse of alcohol, is determined by the public housing agency or owner to interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

**SEC. 643. LEASE REQUIREMENTS.**

In addition to any other applicable lease requirements, each lease for a dwelling unit in federally assisted housing shall provide that—

(1) the owner may not terminate the tenancy except for violation of the terms or conditions of the lease, violation of applicable Federal, State, or local law, or for other good cause; and

(2) grounds for termination of tenancy shall include any criminal or other activity, engaged in by the tenant, any member of the tenant's household, any guest, or any other person under the control of the household, that—

(A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other tenant or employees of the owner or other manager of the housing;

(B) threatens the health or safety of, or right to peaceful enjoyment of their premises by, persons residing in the immediate vicinity of the premises; or

(C) with respect only to activity engaged in by the tenant or any member of the tenant's household, is criminal activity on or off the premises.

**SEC. 644. AVAILABILITY OF CRIMINAL RECORDS FOR TENANT SCREENING AND EVICTION.**

(a) IN GENERAL.—

(1) CRIMINAL CONVICTION INFORMATION.—Notwithstanding any other provision of law other than paragraphs (3) and (4), upon the request of a public housing agency, the National Crime Information Center, a police department, and any other law enforcement agency shall provide to the public housing agency information regarding the criminal conviction records of an adult applicant for, or tenants of, federally assisted housing for purposes of applicant screening, lease enforcement, and eviction, but only if the public housing agency requests such information and presents to such Center, department, or agency a written authorization, signed by such applicant, for the release of such information to the public housing agency or other owner of the federally assisted housing.

(2) INFORMATION REGARDING CRIMES AGAINST CHILDREN.—Notwithstanding any other provision of law other than paragraphs (3) and (4), upon the request of a public housing agency, a State law enforcement agency designated as a registration agency under a State registration program under subtitle A of title XVII of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14071), and any local law enforcement agency authorized by the State agency shall provide to a public housing agency the information collected under or such State registration program, regarding an adult applicant for, or tenant of, federally assisted housing for purposes of applicant screening, lease enforcement, and eviction, but only if the public housing agency requests such information and presents to such State registration agency or other local law enforcement agency a written authorization, signed by such applicant, for the release of such information to the public housing agency or other owner of the federally assisted housing.

(3) DELAYED EFFECTIVE DATE FOR OWNERS OTHER THAN PHA'S.—The provisions of paragraphs (1) and (2) authorizing obtaining information for owners of federally assisted housing other than public housing agencies shall not take effect before—

(A) the expiration of the 1-year period beginning on the date of enactment of this Act; and

(B) the Secretary and the Attorney General of the United States have determined that access to such information is feasible for such owners and have provided for the terms of release of such information to owners.

(4) EXCEPTION.—The information provided under paragraphs (1), (2), and (3) shall include information regarding any criminal conviction of a juvenile only to the extent that the release of such information is authorized under the law of the applicable State, tribe, or locality.

(b) CONFIDENTIALITY.—A public housing agency or owner receiving information under this section may use such information only for the purposes provided in this section and such information may not be disclosed to any person who is not an officer, employee, or authorized representative of the agency or owner and who has a job-related need to have access to the information in connection with admission of applicants, eviction of tenants, or termination of assistance. For judicial eviction proceedings, disclosures may be made to the extent necessary. The Secretary shall, by regulation, establish procedures necessary to ensure that information provided under this section to a public housing agency or owner is used, and confidentiality of such information is maintained, as required under this section.

(c) OPPORTUNITY TO DISPUTE.—Before an adverse action is taken with regard to assistance under for federally assisted housing on the basis of a criminal record, the public housing agency or owner shall provide the tenant or applicant with a copy of the criminal record and an opportunity to dispute the accuracy and relevance of that record.

(d) FEE.—A public housing agency may be charged a reasonable fee for information provided under subsection (a). A public housing agency may require an owner of federally assisted housing (that is not a public housing agency) to pay such fee for any information that the agency acquires for the owner pursuant to section 641(e) and subsection (a) of this section.

(e) RECORDS MANAGEMENT.—Each public housing agency and owner of federally assisted housing that receives criminal record information pursuant to this section shall establish and implement a system of records management that ensures that any criminal record received by the agency or owner is—

(1) maintained confidentially;

(2) not misused or improperly disseminated; and

(3) destroyed in a timely fashion, once the purpose for which the record was requested has been accomplished.

(f) PENALTY.—Any person who knowingly and willfully requests or obtains any information concerning an applicant for, or tenant of, federally assisted housing pursuant to the authority under this section under false pretenses, or any person who knowingly and willfully discloses any such information in any manner to any individual not entitled under any law to receive it, shall be guilty of a misdemeanor and fined not more than $5,000. The term ''person'' as used in this subsection shall include an officer, employee, or authorized representative of any public housing agency or owner.

(g) CIVIL ACTION.—Any applicant for, or tenant of, federally assisted housing affected by (1) a negligent or knowing disclosure of information referred to in this section about such person by an officer, employee, or authorized representative of any public housing agency or owner of federally assisted housing, which disclosure is not authorized by this section, or (2) any other negligent or knowing action that is inconsistent with this section, may bring a civil action for damages and such other relief as may be appropriate against any public housing agency or owner responsible for such unauthorized action. The district court of the United States in the district in which the affected applicant or tenant resides, in which such unauthorized action occurred, or in which the officer, employee, or representative alleged to be responsible for any such unauthorized action resides, shall have jurisdiction in such matters. Appropriate relief that may be ordered by such district courts shall include reasonable attorney's fees and other litigation costs.

(h) DEFINITION.—For purposes of this section, the term ''adult'' means a person who is 18 years of age or older, or who has been convicted of a crime as an adult under any Federal, State, or tribal law.

**SEC. 645. DEFINITIONS.**

For purposes of this subtitle, the following definitions shall apply:

(1) FEDERALLY ASSISTED HOUSING.—The term ''federally assisted housing'' means a dwelling unit—

(A) in public housing (as such term is defined in section 102);

(B) assisted with choice-based housing assistance under title III;

(C) in housing that is provided project-based assistance under section 8 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 601(b) of this Act) or pursuant to section 601(f) of this Act, including new construction and substantial rehabilitation projects;

(D) in housing that is assisted under section 202 of the Housing Act of 1959 (as amended by section 801 of the Cranston-Gonzalez National Affordable Housing Act);

(E) in housing that is assisted under section 202 of the Housing Act of 1959, as such section existed before the enactment of the Cranston-Gonzalez National Affordable Housing Act;

(F) in housing that is assisted under section 811 of the Cranston-Gonzalez National Affordable Housing Act;

(G) in housing financed by a loan or mortgage insured under section 221(d)(3) of the National Housing Act that bears interest at a rate determined under the proviso of section 221(d)(5) of such Act;

(H) in housing insured, assisted, or held by the Secretary or a State or State agency under section 236 of the National Housing Act;

(I) for purposes only of subsections 641(c), 641(d), 643, and 644, in housing assisted under section 515 of the Housing Act of 1949.

(2) OWNER.—The term ''owner'' means, with respect to federally assisted housing, the entity or private person (including a cooperative or public housing agency) that has the legal right to lease or sublease dwelling units in such housing.

Mr. OWENS. Mr. Chairman, I rise in strong opposition to the Housing Opportunity and Responsibility Act [H.R. 2]. Among many things, H.R. 2 would dismantle the 30-year bedrock principle of U.S. housing policy—the Brooke amendment. With the punitive undertones of the bill and several proposed amendments, H.R. 2 represents Welfare Reform Part II . . . punishing the less fortunate for being poor. Using such euphemisms as local flexibility, income diversity, work incentives, and self-sufficiency, H.R. 2 would shamefully take from those who have the least resources and are the most vulnerable the right to something as basic as food and clothing: a decent place to sleep at night.

If we are going to have an honest debate about the best way to allocate federal resources to address the housing needs of this nation, then we need to place all of the facts on the table: U.S. housing policy is embarrassingly inequitable. Despite the low-income housing needs of this country, only 20 percent of housing outlays is allocated for providing housing assistance and subsidies to lower-income families. The other 80 percent is tax expenditures enjoyed by wealthier families who are able to deduct mortgage interest, property taxes, capital gains, and other investor-homeowner ''perks'' from their tax liabilities. The result of this unjust, inequitable housing policy: Over 70 percent of the families who qualify for low-income housing assistance are not receiving it.

Without regard to this imbalance in Federal housing policy, H.R. 2 would blatantly ignore those Americans who truly need housing assistance. H.R. 2 would mandate that housing authorities reserve a paltry 35 percent of new public housing units for families earning 30 percent or less of the median income in a local area (i.e., the very low-income). The remaining slots would be reserved for families earning up to 80 percent of the area's median income. (Under current law, 85 percent of public housing units must be provided to families with incomes at or below 50 percent of the area's median income.) In most communities, 30 percent of the area's median income is roughly equivalent to the poverty line. (In New York City, 30 percent of median income equals $11,700 for a two-person household.) To reserve such a small percentage of public housing for our poorest families, given the dramatic evidence of unaddressed needs, is an unforgivable act by my Republican colleagues.

To add insult to injury, H.R. 2 includes a ''fungibility'' clause that would create a loophole that further weakens targeting provisions. H.R. 2 would allow public housing authorities to satisfy their meager 35 percent targeting reserve for the very low-income by counting the number of Section 8 vouchers granted to such families. (The Section 8 Program would be required to reserve only 40 percent of the slots for the very low-income.) Thus, if a public housing authority gives 75 percent of Section 8 vouchers to the very poor, it would NOT be required to make public housing units available to such families. In effect, public housing would be offered to higher-income families, while the very low-income would be offered housing vouchers. On the surface it appears that public housing would then become more diversely populated and the very low-income would be free to secure housing outside of the traditional public authority ''warehouse.'' However, it is unreasonable to assume the private housing market could reasonably accommodate the elderly, disabled and large low-income families who have very special housing needs.

H.R. 2 would cleverly erode the protections of the Brooke Amendment. Under current law, this amendment sets the maximum percentage that tenants could be charged for rent at 30 percent of adjusted gross income (AGI). However, H.R. 2 would introduce a deceitful practice touted as giving the tenant a ''choice'' in rent calculations. H.R. 2 would allow the tenant to choose between two different calculations: (1) the tenant could choose a rent calculation based on income, in which case the rent could not exceed the 30 percent cap; or (2) the tenant could choose a flat-rate determined by the housing authority based on the rental value of the housing. This leads to

an obvious question: What assurances are there that the tenant will not mistakenly choose the rate that will be more costly to him or her?

Moreover, H.R. 2 would require housing authorities to set monthly minimum rents at $25 to $50, and authorities could grant hardship exemptions from such minimum rent requirements. To individuals who make more than $100,000 per year, a minimum rent of $25 to $50 may seem reasonable. Such reasoning only illustrates how out of touch supporters of this bill are with the people they represent. For the state of New York, a $50 minimum rent would affect 900 households, and a $25 minimum rent would affect 1,828 households. For homeless families utilizing special rent assistance, but who have no income, this minimum rent would be a hardship. For large families receiving AFDC in low benefit states, this minimum rent would be a hardship. For families awaiting determination of eligibility for public benefits, this minimum would be a hardship. For individuals and families transitioning from homelessness to housing, this minimum rent would be a hardship. Yes, many of the people that we represent have little to no income at all. The Congress should be compassionate enough to grant these families some leeway. Support the Velazquez amendment that would only allow a minimum rent up to $25 and would grant the U.S. Department of Housing and Urban Development (HUD) the authority to define eligibility for the exemption.

Finally, H.R. 2 would permit the shortsighted, misguided practice of turning over state public housing funds to local governments in the form of a block grant without regard to vital protections. The Home Rule Flexibility Grant could be utilized by cities and towns to develop and administer their own low-income housing programs. Again, the perverse possibilities of such a fund are crystal clear. Local governments, already grappling with fiscal viability, may choose to use federal housing funds for other city needs. Local governments would be free to establish their own rules and regulations regarding income targeting provisions, 30 percent rent ceilings and other tenant protections.

Undoubtedly, H.R. 2 is a bad bill. It is not a marked improvement over last year's failed effort to reform the nation's public housing policy. It contains minor provisions that do some overall good for the community development and housing needs of our most vulnerable: permitting HUD to take over chronically troubled housing authorities; permitting the demolition of obsolete, dilapidated urban public housing; and permitting ''elderly only'' or ''disabled only'' public housing buildings. However, these are crumbs compared to the overall famine in housing face by 5.3 million poor families who pay more than 50 percent of their income for rent and/or live in substandard housing. This bill does little to provide ''a housing opportunity'' for our vulnerable citizens and abdicates a great deal of federal ''responsibility.'' Vote ''no'' on the so-called ''Housing Opportunity and Responsibility Act.''

Mr. LAZIO of New York. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. STEARNS) having assumed the chair, Mr. GOODLATTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, (H.R. 2) to repeal the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes, had come to no resolution thereon.

## SALUTING THE SPIRIT OF VOLUNTEERISM AND THE WORK OF LEO FRIGO OF GREEN BAY, WI

(Mr. JOHNSON of Wisconsin asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHNSON of Wisconsin. Mr. Speaker, I rise today to salute the spirit of volunteerism, and to bring to Members' attention the work of one Leo Frigo of Green Bay, WI.

Leo Frigo exemplifies the very spirit of volunteerism that inspired a national volunteer summit last month in Philadelphia I was privileged to attend. In my city, Leo Frigo makes a difference to the community and to our country. He was honored last night with a 1997 Green Bay Rotary Free Enterprise Award.

In business, Leo Frigo led a successful cheesemaking company in Wisconsin, but in retirement he set an amazing example for a community; 14 years in retirement focused on feeding the hungry.

He convinced the local St. Vincent de Paul Society into making space at its store for food donations. Thus was born Paul's Pantry. Today it is a thriving food pantry for the hungry.

Leo Frigo's title is volunteer executive director, but what he does every day is more remarkable: collecting food, sorting food, driving a forklift. Leo does whatever is required so others in need may eat. Last year he directed more than 5,000 volunteers in giving out millions of dollars' worth of food, feeding families who otherwise would go hungry.

Leo Frigo is a great example of volunteer citizen service at its purest. He is an inspiration to us all, and I join all of northeast Wisconsin in thanking him for his tremendous work.

## PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO HAVE UNTIL MIDNIGHT, FRIDAY, MAY 9, 1997, TO FILE REPORT ON H.R. 1486, FOREIGN POLICY REFORM ACT

Mr. GOSS. Mr. Speaker, I ask unanimous consent that the Committee on International Relations have until midnight, Friday, May 9, 1997, to file a report on the bill, H.R. 1486, the Foreign Policy Reform Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

## ADJOURNMENT TO MONDAY, MAY 12, 1997

Mr. GOSS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

## HOUR OF MEETING ON TUESDAY, MAY 13, 1997

Mr. GOSS. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, May 12, 1997, it adjourn to meet at 12:30 p.m. on Tuesday, May 13, 1997, for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

## DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. GOSS. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

## HONORING THE TEACHERS OF THE TITLE I RESOURCE PROGRAM AT THE MT. HOPE/NANJEMOY ELEMENTARY SCHOOL

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, this is National Teacher Recognition Week. I rise today to recognize three very special teachers in my district: Debbie Lane, Kathleen Donahue, and Deborah Walker. Together they run the title I resource program at Mt. Hope/Nanjemoy Elementary School in Nanjemoy, MD. The Mt. Hope/Nanjemoy Elementary School placed almost a full three points above the countywide average in the Maryland school performance assessment program. This improvement over last year's below average score is due in part to the efforts of these three very distinguished teachers.

The Department of Education joins me in recognizing the Mt. Hope/Nanjemoy Elementary School. This title I program is part of a select group honored by the Department of Education this week.

I salute, Mr. Speaker, these three teachers and the title I resource program for its outstanding success. They touch the future, and the future will be better for their efforts.